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A LETTER

TO THE

Editor of the Edinburgh Weekly Journal,

FROM

MALACHI MALAGROWTHER, Esq.

ON THE

PROPOSED CHANGE OF CURRENCY,

AND

OTHER LATE ALTERATIONS,

AS THEY AFFECT, OR ARE INTENDED TO AFFECT,

THE

KINGDOM OF SCOTLAND.

Ergo, Caledonia, nomen inane, Vale!

THIRD EDITION.

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A LETTER

ON THE

PROPOSED CHANGE OF CURRENCY.

TO THE EDITOR

OF THE EDINBURGH WEEKLY JOURNAL.

My dear Mr Journalist,

I am by pedigree a discontented person, so that you may throw this letter into the fire, if you have any apprehensions of incurring the displeasure of your superiors. I am, in fact, the lineal descendant of Sir Mungo Malagrowther, who makes a figure in the Fortunes of Nigel, and have retained a reasonable proportion of his ill luck, and, in consequence, of his ill temper. If, therefore, I should chance to appear too warm and poignant in my observations, you must impute it to the hasty and peevish humour which I derive from my ancestor. But, at the same

time, it often happens that this disposition leads me to speak useful, though unpleasant truths, when more prudent men hold their tongues and eat their pudding. A lizard is an ugly and disgusting thing enough; but, methinks, if a lizard were to run over my face and awaken me, which is said to be their custom when they observe a snake approach a sleeping person, I should neither scorn his intimation, nor feel justifiable in crushing him to death, merely because he is a filthy little abridgement of a crocodile. Therefore, "for my love, I pray you, wrong me not."

I am old, sir, poor, and peevish, and, therefore, I may be wrong; but when I look back on the last fifteen or twenty years, and more especially on the last ten, I think I see my native country of Scotland, if it is yet to be called by a title so discriminative, falling, so far as its national, or rather, perhaps, I ought now to say its *provincial*, interests are concerned, daily into more absolute contempt. Our ancestors were a people of some consideration in the councils of the empire. So late as my own younger days, an English minister would have paused, even in a favour-

ite measure, if a reclamation of national rights had been made by a Member for Scotland, supported, as it uniformly then was, by the voice of her representatives and her people. Such ameliorations in our peculiar system as were thought necessary, in order that North Britain might keep pace with her Sister in the advance of improvement, were suggested by our own countrymen, persons well acquainted with our peculiar system of laws, (as different from those of England as from those of France,) and who knew exactly how to adapt the desired alteration to the principle of our legislative enactments, so that the whole machine might, as mechanics say, work well and easily. For a long time, this wholesome check upon innovation, which requires the assimilation of a proposed improvement with the general constitution of the country to which it has been recommended, and which ensures that important point, by stipulating that the measure shall originate with those to whom the spirit of the constitution is familiar, has been, so far as Scotland is concerned, considerably disused. Those

who have stepped forward to repair the gradual failure of our constitutional system of law, have been persons that, howsoever qualified in other respects, have had little farther knowledge of its construction, than could be acquired by a hasty and partial survey, taken just before they commenced their labours. Scotland and her laws have been too often subjected to the alterations of any person who chose to found himself a reputation, by bringing in a bill to cure some defect which had never been felt in practice, but which was represented as a frightful bugbear to English statesmen, who, wisely and judiciously tenacious of the legal practice and principles received at home, are proportionally startled at the idea of any thing abroad which cannot be brought to assimilate with them.

The English seem to have made a compromise with the active tendency to innovation, which is one great characteristic of the day. Wise and sagacious themselves, they are nervously jealous of innovations in their own laws —*Nolumus leges Angliæ mutari*, is written on the skirts of their judicial robes, as the most

sacred texts of Scripture were inscribed on the phylacteries of the Rabbis. The belief that the Common Law of England constitutes the Perfection of human reason, is a maxim bound upon their foreheads. Law Monks they have been called in other respects, and like Monks they are devoted to their own Rule, and admit no question of its infallibility. There can be no doubt that their love of a system, which, if not perfect, has so much in it that is excellent, originates in the most praiseworthy feelings. Call it if you will the prejudice of education, it is still a prejudice honourable in itself, and useful to the public. I only find fault with it, because, like the Friars in the Duenna monopolizing the bottle, these English Monks will not tolerate in their lay-brethren of the North the slightest pretence to a similar feeling.

In England, therefore, no innovation can be proposed affecting the administration of justice, without being subjected to the strict inquiry of the Guardians of the Law, and afterwards resisted pertinaciously until time and the most mature and reiterated discussion shall have proved its

utility, nay, its necessity. The old saying is still true in all its points—Touch but a cobweb in Westminster-Hall, and the old spider will come out in defence of it. This caution may sometimes postpone the adoption of useful amendments, but it operates to prevent all hasty and experimental innovations; and it is surely better that existing evils should be endured for some time longer, than that violent remedies should be hastily adopted, the unforeseen and unprovided-for consequences of which are often so much more extensive than those which had been foreseen and reckoned upon. An ordinary mason can calculate upon the exact gap which will be made by the removal of a corner-stone in an old building; but what architect, not intimately acquainted with the whole edifice, can presume even to guess how much of the structure is, or is not, to follow?

The English policy in this respect is a wise one, and we have only to wish they would not insist upon keeping it all to themselves. But those who are most devoted to their own religion, have least sympathy for the feelings of dis-

senters; and a spirit of proselytism has of late shown itself in England for extending the benefits of their system, in all its strength and weakness, to a country, which has been hitherto flourishing and contented under its own. They adopted the conclusion, that all English enactments are right; but the system of municipal law in Scotland is not English, therefore it is wrong. Under sanction of this syllogism, our rulers have indulged and encouraged a spirit of experiment and innovation at our expense, which they resist obstinately when it is to be carried through at their own risk.

For more than one half of last century, this was a practice not to be thought of. Scotland was during that period disaffected, in bad humour, armed too, and smarting under various irritating recollections. This is not the sort of patient for whom an experimental legislator chooses to prescribe. There was little chance of making Saunders take the patent pill by persuasion—main force was a dangerous argument, and some thought claymores had edges.

This period passed away, a happier one arri-

ved, and Scotland, no longer the object of terror, or at least great uneasiness, to the British Government, was left from the year 1750 under the guardianship of her own institutions, to win her silent way to national wealth and consequence. Contempt probably procured for her the freedom from interference, which had formerly been granted out of fear; for the medical faculty are as slack in attending the garrets of paupers as the caverns of robbers. But neglected as she was, and perhaps *because* she was neglected, Scotland, reckoning her progress during the space from the close of the American war to the present day, has increased her prosperity in a ratio more than five times greater than that of her more fortunate and richer sister. She is now worth the attention of the learned faculty, and God knows she has had plenty of it. She has been bled and purged, spring and fall, and *talked* into courses of physic, for which she had little occasion. She has been of late a sort of experimental farm, upon which every political student has been permitted to try his theory—a kind of common property, where

every juvenile statesman has been encouraged to make his inroads, as in Morayland, where, anciently, according to the idea of the old Highlanders, all men had a right to take their prey —a subject in a common dissecting-room, left to the scalpel of the junior students, with the degrading inscription,—*Fiat experimentum in corpore vili.*

I do not mean to dispute, sir, that much alteration was necessary in our laws, and that much benefit has followed many of the great changes which have taken place. I do not mean to deprecate a gradual approach to the English system, especially in commercial law. The Jury Court, for example, was a fair experiment, in my opinion, cautiously introduced as such, and placed under such regulations as might best assimilate its forms with those of the existing Supreme Court. I beg therefore to be considered as not speaking of the alterations themselves, but of the apparent hostility towards our municipal institutions, as repeatedly manifested in the course of late proceedings, tending to force and wrench them into a similarity with those of England.

The opinions of our own lawyers, nay, of our

Judges, than whom wiser and more honourable men never held that high character, have been, if report speaks true, something too much neglected and controlled in the course of these important changes, in which, methinks, they ought to have had a leading and primary voice. They have been almost avowedly egarded not as persons the best qualified to judge of proposed innovations, but as prejudiced men, determined to oppose them right or wrong. The last public Commission was framed on the very principle, that if Scotch Lawyers were needs to be employed, a sufficient number of these should consist of gentlemen, who, whatever their talents and respectability might be in other respects, had been too long estranged from the study of Scottish law, to retain any accurate recollection of an abstruse science, or any decided partiality for its technical forms. This was done avowedly for the purpose of evading the natural partiality of the Scottish Judges and practitioners to their own system; that partiality, which the English themselves hold so sacred a feeling in their own Judges, and Counsel learned in the law. I am not, I repeat, complaining of the result of the Commissions, but

of the spirit in which the alterations were undertaken. Unquestionably much was done in brushing up and improving the old machinery of Scottish Law Courts, and in making it move more rapidly, though scarce, I think, more correctly than before. Dispatch has been much attended to. But it may be ultimately found, that the timepiece which runs fastest does not intimate the hour most accurately. At all events, the changes have been made and established—there let them rest. And had I, Malachi Malagrowther, the sole power to-morrow of doing so, I would not restore the old forms of judicial proceedings; because I hold the constitution of Courts of Justice too serious matters to be put back or forward at pleasure, like a boy's first watch, merely for experiment's sake.

What I *do* complain of is the general spirit of slight and dislike manifested to our national establishments, by those of the sister country who are so very zealous in defending their own; and not less do I complain of their jealousy of the opinions of those who cannot but be much better acquainted than they, both with the merits and deficiencies of the system, which hasty and

imperfectly informed judges have shown themselves so anxious to revolutionize.

There is no explanation to be given of this but one—namely, the entire conviction and belief of our English brethren, that the true Themis is worshipped in Westminster Hall, and that her adorers cannot be too zealous in her service; while she, whose image an ingenious artist has depicted balancing herself upon a *te-totum* on the southern window of the Parliament House of Edinburgh, is a mere idol,—a Diana of Ephesus,—whom her votaries worship, either because her shrine brings great gain to the craftsmen, or out of an ignorant and dotard superstition, which induces them to prefer the old Scottish *Mumpsimus* to the Modern English *Sumpsimus*. Now, this is not fair construction in our friends, whose intentions in our behalf, we allow, are excellent, but who certainly are scarcely entitled to beg the question at issue without inquiry or discussion, or to treat us as the Spaniards treated the Indians, whom they massacred for worshipping the image of the Sun, while they themselves bowed down to that of the Virgin Mary. Even Queen Elizabeth

was contented with the evasive answer of Melville, when hard pressed with the trying question, whether Queen Mary or she were the fairest. We are willing, in the spirit of that answer, to say, that the Themis of Westminster Hall is the best fitted to preside over the administration of the larger, and more fertile country of beef and pudding; while she of the te-totum (placed in that precarious position, we presume, to express her instability, since these new lights were struck out) claims a more limited but equally respectful homage, within her ancient jurisdiction—*sua paupera regna*—the Land of Cakes. If this compromise does not appease the ardour of our brethren for converting us to English forms and fashions, we must use the scriptural question, "Who hath required these things at your hands?"

The inquiries and result of another Commission are too much to the purpose to be suppressed. The object was to investigate the conduct of the Revenue Boards in Ireland and Scotland. In the former, it is well known, great mismanagement was discovered; for Pat, poor fellow, had been playing the loon to a considerable ex-

tent. In Scotland, *not a shadow of abuse prevailed.* You would have thought, Mr Journalist, that the Irish Boards would have been reformed in some shape, and the Scotch establishments honourably acquitted, and suffered to continue on the footing of independence which they had so long enjoyed, and of which they had proved themselves so worthy. Not so, sir. The Revenue Boards, in both countries, underwent exactly the same regulation, were deprived of their independent consequence, and placed under the superintendence of English control; the innocent and the guilty being treated in every respect alike. Now, on the side of Scotland, this was like Trinculo losing his bottle in the pool —there was not only dishonour in the thing, but an infinite loss.

I have heard two reasons suggested for this indiscriminating application of punishment to the innocent and to the culpable.

In the first place, it was honestly confessed that Ireland would never have quietly submitted to the indignity offered to her, unless poor inoffensive Scotland had been included in the regulation. The Green Isle, it seems, was of

the mind of a celebrated lady of quality, who, being about to have a decayed tooth drawn, refused to submit to the operation till she had seen the dentist extract a sound and serviceable grinder from the jaws of her waiting-woman—and her humour was to be gratified. The lady was a termagant dame—the wench a tame-spirited simpleton—the dentist an obliging operator—and the teeth of both were drawn accordingly.

This gratification of his humours is gained by Pat's being up with the pike and shilelah on any or no occasion. God forbid Scotland should retrograde towards such a state—much better that the Deil, as in Burns's song, danced away with the whole excisemen in the country. We do not want to hear her prate of her number of millions of men, and her old military exploits. We had better remain in union with England, even at the risk of becoming a subordinate species of Northumberland, as far as national consequence is concerned, than remedy ourselves by even hinting the possibility of a rupture. But there is no harm in wishing Scotland to have just so much ill-nature, according to her own proverb, as may keep her good-nature from being abused; so

much national spirit as may determine her to stand by her own rights, conducting her assertion of them with every feeling of respect and amity towards England.

The other reason alleged for this equal distribution of *punishment*, as if it had been the influence of the common sun, or the general rain, to the just and the unjust, was one which is extremely predominant at present with our Ministers—the *necessity of* UNIFORMITY in all such cases; and the consideration what an awkward thing it would be to have a Board of Excise or Customs remaining independent in the one country, solely because they had, without impeachment, discharged their duty; while the same establishment was cashiered in another, for no better reason than that it had been misused.

This reminds us of an incident, said to have befallen at the Castle of Glammis, when these venerable towers were inhabited by a certain old Earl of Strathmore, who was as great an admirer of uniformity as the Chancellor of the Exchequer could have desired. He and his gardener directed all in the garden and pleasure-

grounds upon the ancient principle of exact correspondence between the different parts, so that each alley had its brother; a principle which, renounced by gardeners, is now adopted by statesmen. It chanced once upon a time that a fellow was caught committing some petty theft, and, being taken in the manner, was sentenced by the Baillie MacWheeble of the jurisdiction to stand for a certain time in the baronial pillory, called the *jougs*, being a collar and chain, one of which contrivances was attached to each side of the portal of the great avenue which led to the castle. The thief was turned over accordingly to the gardener as ground-officer, to see the punishment duly inflicted. When the Thane of Glammis returned from his morning ride, he was surprised to find both sides of the gate-way accommodated each with a prisoner, like a pair of heraldic supporters *chained* and *collared proper*. He asked the gardener, whom he found watching the place of punishment, as his duty required, whether another delinquent had been detected? "No, my Lord," said the gardener, in the tone of a man excellently well satisfied with himself,— "but I thought the single fellow looked very

awkward standing on one side of the gate-way, so I gave half-a-crown to one of the labourers to stand on the other side *for uniformity's sake.*" This is exactly a case in point, and probably the only one which can be found—with this sole difference, that I do not hear that the Members of the Scottish Revenue Board got any boon for standing in the pillory with those of Ireland—for uniformity's sake.

Lastly, sir, I come to this business of extending the provisions of the Bill prohibiting the issue of notes under L.5 to Scotland, in six months after the period that the regulation shall be adopted in England.

I am not about to enter upon the question which so much agitates speculative writers upon the wealth of nations, or attempt to discuss what proportion of the precious metals ought to be detained within a country; what are the best means of keeping it there; or to what extent the want of specie can be supplied by paper credit: I will not ask if a poor man can be made a rich one, by compelling him to buy a service of plate, instead of the delf ware which served his turn. These are questions I am not adequate to solve.

But I beg leave to consider the question in a practical point of view, and to refer myself entirely to experience.

I assume, without much hazard of contradiction, that Banks have existed in Scotland for near one hundred and twenty years—that they have flourished, and the country has flourished with them—and that during the last fifty years particularly, provincial Banks, or branches of the principal established and chartered Banks, have gradually extended themselves in almost every Lowland district in Scotland; that the notes, and especially the small notes, which they distribute, entirely supply the demand for a medium of currency; and that the system has so completely expelled gold from the country of Scotland, that you never by any chance espy a guinea there, unless in the purse of an accidental stranger, or in the coffers of these Banks themselves. This is granting the facts of the case as broadly as can be asked.

It is not less unquestionable, that the consequence of this Banking system, as conducted in Scotland, has been attended with the greatest advantage to the country. The facility which it

has afforded to the industrious and enterprising agriculturist or manufacturer, as well as to the trustees of the public in executing national works, has converted Scotland, from a poor, miserable, and barren country, into one, where, if Nature has done less, Art and Industry have done more, than in perhaps any country in Europe, England herself not excepted. Through means of the credit which this system has afforded, roads have been made, bridges built, and canals dug, opening up to reciprocal communication the most sequestered districts of the country—manufactures have been established, unequalled in extent or success—wastes have been converted into productive farms—the productions of the earth for human use have been multiplied twentyfold, while the wealth of the rich, and the comforts of the poor, have been extended in the same proportion. And all this in a country where the rigour of the climate, and sterility of the soil, seem united to set improvement at defiance. Let those who remember Scotland forty years since, bear witness if I speak truth or falsehood.

There is no doubt that this change has been

produced by the facilities of procuring credit, which the Scottish Banks held forth, both by discounting bills, and by granting cash-accounts. Every undertaking of consequence, whether by the public or by individuals, has been carried on by such means; at least exceptions are extremely rare.

There is as little doubt that the Banks could not have furnished these necessary funds of cash, without enjoying the reciprocal advantage of their own notes being circulated in consequence, and by means of the accommodation thus afforded. It is not to be expected that every undertaking which the system enabled speculators or adventurers to commence, should be well-judged, attentively carried on, or successful in issue. Imprudence in some cases, misfortune in others, have had their usual quantity of victims. But in Scotland, as elsewhere, it has happened in many instances that improvements, which turned out ruinous to those who undertook them, have, notwithstanding, themselves ultimately produced the most beneficial advantages to the country, which derived in such instances an addition to its general prosperity.

even from the undertakings which had proved destructive to the private fortune of the projectors.

Not only did the Banks dispersed throughout Scotland afford the means of bringing the country to an unexpected and almost marvellous degree of prosperity, but in no considerable instance, save one, have their own over-speculating undertakings been the means of interrupting that prosperity. The solitary exception was the undertaking called the Ayr Bank, rashly entered into by a large body of country gentlemen and others, unacquainted with commercial affairs, and who had moreover the misfortune not only to set out on false principles, but to get false rogues for their principal agents and managers. The fall of this Bank brought much calamity on the country; but two things are remarkable in its history: First, that under its too prodigal, yet beneficial influence, a fine county (that of Ayr) was converted from a desert into a fertile land. 2dly, That, though at a distant interval, the Ayr Bank paid all its engagements, and the loss only fell on the original stockholders. The warning was, however, a terrible one, and has been so well attended to in Scotland, that very few

attempts seem to have been afterwards made to establish Banks prematurely—that is, where the particular district was not in such an advanced state as to require the support of additional credit; for in every such case, it was judiciously foreseen, the forcing a capital on the district could only lead to wild speculation, instead of supporting solid and promising undertakings.

The character and condition of the persons pursuing the profession, ought to be noticed, however slightly The Bankers of Scotland have been, generally speaking, *good* men, in the mercantile phrase, showing, by the wealth of which they have died possessed, that their credit was sound; and *good* men also, many of them eminently so, in the more extensive and better sense of the word, manifesting, by the excellence of their character, the fairness of the means by which their riches were acquired. There may have been, among so numerous a body, men of a different character, fishers in troubled waters, capitalists who sought gain not by the encouragement of fair trade and honest industry, but by affording temporary fuel to rashness or avarice. But the number of upright traders in the profession has narrowed the

means of mischief, which such Christian Shylocks would otherwise have possessed. There was loss, there was discredit, in having recourse to such characters, when honest wants could be fairly supplied by upright men, and on liberal terms. Such reptiles have been confined in Scotland to batten upon their proper prey of folly, and feast, like worms, on the corruption in which they are bred.

Since the period of the Ayr Bank, now near half a century, I recollect very few instances of Banking Companies issuing notes, which have become insolvent. One, about thirty years since, was the Merchant Bank of Stirling, which never was in high credit, having been known almost at the time of its commencement by the ominous nick-name of *Black in the West*. Another was within these ten years, the East-Lothian Banking Company, whose affairs had been very ill conducted by a villainous manager. In both cases, the notes were paid up in full. In the latter case, they were taken up by one of the most respectable houses in Edinburgh; so that all the current engagements were paid without the least check to the circulation of their notes, or inconvenience to poor or rich,

who happened to have them in possession. The Union Bank of Falkirk also became insolvent within these fifteen years, but paid up its engagements without much loss to the creditors. Other cases there may have occurred not coming within my recollection; but I think none which made any great sensation, or could at all affect the general confidence of the country in the stability of the system. None of these bankruptcies excited much attention, or, as we have seen, caused any considerable loss.

In the present unhappy commercial distress, I have always heard and understood, that the Scottish Banks have done all in their power to alleviate the evils which came thickening on the country; and far from acting illiberally, that they have come forward to support the tottering credit of the commercial world with a frankness which augured the most perfect confidence in their own resources. We have heard of only one provincial Bank being even for a moment in the predicament of suspicion; and of that copartnery the funds and credit were so well understood, that their correspondents in Edinburgh, as in the case of the East Lothian Bank formerly mentioned, at once guaranteed the

payment of their notes, and saved the public even from momentary agitation, and individuals from the possibility of distress. I ask what must be the stability of a system of credit, of which such an universal earthquake could not displace or shake even the slightest individual portion?

Thus stands the case in Scotland; and it is clear, any restrictive enactment affecting the Banking system, or their mode of issuing notes, must be adopted in consequence of evils, operating elsewhere perhaps, but certainly unknown in this country.

In England, unfortunately, things have been very different, and the insolvency of many provincial Banking Companies, of the most established reputation for stability, has greatly distressed the country, and alarmed London itself, from the necessary re-action of their misfortunes upon their correspondents in the capital.

I do not think, sir, that the advocate of Scotland is called upon to go farther, in order to plead an exemption from any experiment which England may think proper to try to cure her own malady, than to say such malady does not exist in her jurisdiction. It is surely enough to plead, "We are well, our pulse and complexion

prove it—let those who are sick take physic." But the opinion of the English Ministers is widely different; for, granting our premises, they deny our conclusion.

The peculiar humour of a friend, whom I lost some years ago, is the only one I recollect, which jumps precisely with the reasoning of the Chancellor of the Exchequer. My friend was an old Scottish laird, a bachelor and a humourist—wealthy, convivial, and hospitable, and of course having always plenty of company about him. He had a regular custom of swallowing every night in the world one of Dr Anderson's pills, for which reasons may be readily imagined. But it is not so easy to account for his insisting on every one of his guests taking the same medicine; and whether it was by way of patroni zing the medicine, which is in some sense a national receipt, or whether the mischievous old wag amused himself with anticipating the scenes of delicate embarrassment, which the dispensation sometimes produced in the course of the night, I really cannot even guess. What is equally strange, he pressed this request with a sort of eloquence, which succeeded with every guest. No man escaped, though there were few

who did not make resistance. His powers of persuasion would have been invaluable to a minister of state. "What! not one *Leetle Anderson*, to oblige your friend, your host, your entertainer! He had taken one himself—he would take another, if you pleased—Surely what was good for his complaints must of course be beneficial to yours?" It was in vain you pleaded your being perfectly well,—your detesting the medicine, —your being certain it would not agree with you —none of the apologies were received as valid. You might be warm, pathetic or sulky, fretful or patient, grave or serious in testifying your repugnance, but you were equally a doomed man; escape was impossible. Your host was in his turn eloquent,—authoritative,—facetious,—argumentative,—precatory,—pathetic, above all, pertinacious. No guest was known to escape the *Leetle Anderson*. The last time I experienced the laird's hospitality, there were present at the evening meal the following catalogue of guests: A Bond-street Dandy, of the most brilliant water, drawn thither by the temptation of grouse-shooting—a writer from the neighbouring borough, (the laird's *Doer*, I believe,)—two coun-

try lairds, men of reserved and stiff habits—three sheep-farmers, as stiff-necked and stubborn as their own halter'd rams—and I, Malachi Malagrowther, not facile or obvious to persuasion. There was also the Esculapius of the vicinity—one who gave, but elsewhere was never known to *take* medicine. All succumbed—each took, after various degrees of resistance according to his peculiar fashion, his own *Leetle Anderson*. The Doer took a brace. On the event I am silent. None had reason to congratulate himself on his complaisance. The laird has slept with his ancestors for some years, remembered sometimes with a smile on account of his humorous eccentricities, always with a sigh when his surviving friends and neighbours reflect on his kindliness and genuine beneficence. I have only to add, that I hope he has not bequeathed to the Chancellor of the Exchequer, otherwise so highly gifted, his invincible powers of persuading folks to take medicine, which their constitutions do not require.

Have I argued my case too high in supposing that the present intended legislative enactment is as inapplicable to Scotland, as a pair of elabo-

rate knee-buckles would be to the dress of a kilted Highlander? I think not.

I understand Lord Liverpool and the Chancellor of the Exchequer distinctly to have admitted the fact, that no distress whatever had originated in Scotland from the present issuing of small notes of the Bankers established there, whether provincial in the strict sense, or sent abroad by branches of the larger establishments settled in the metropolis. No proof can be desired better than the admission of the adversary.

Nevertheless, we have been positively informed by the newspapers that Ministers see no reason why any law adopted on this subject should not be imperative over all his Majesty's dominions, including Scotland, *for uniformity's sake.* In my opinion, they might as well make a law that the Scotsman, for uniformity's sake, should not eat oatmeal, because it is found to give Englishmen the heart-burn. If an ordinance prohibiting the oat-cake, can be accompanied with a regulation capable of being enforced, that in future, for uniformity's sake, our moors and uplands shall henceforth bear the purest wheat, I for one have no ob-

jection to the regulation. But till Ben-Nevis be level with Norfolkshire, though the natural wants of the two nations may be the same, the extent of these wants, natural or commercial, and the mode of supplying them, must be widely different, let the rule of uniformity be as absolute as it will. The nation which cannot raise wheat, must be allowed to eat oat-bread; the nation which is too poor to retain a circulating medium of the precious metals, must be permitted to supply its place with paper credit; otherwise, they must go without food, and without currency.

If I were called on, Mr Journalist, I think I could give some reasons why the system of Banking which has been found well adapted for Scotland is not proper for England, and why there is no reason for inflicting upon us the intended remedy; in other words, why this political balsam of Fierabras, which is to relieve Don Quixote, may have a great chance to poison Sancho. With this view, I will mention briefly some strong points of distinction affecting the comparative credit of the Banks in Eng-

land and in Scotland; and they seem such as to furnish, to one inexperienced in political economics, (upon the transcendental doctrines of which so much stress is now laid,) very satisfactory reasons for the difference which is not denied to exist betwixt the effects of the same general system in different countries.

In Scotland, almost all Banking Companies consist of a considerable number of persons, many of them men of landed property, whose landed estates, with the burthens legally affecting them, may be learned from the records, for the expense of a few shillings; so that all the world knows, or may know, the general basis on which their credit rests, and the extent of real property, which, independent of their personal means, is responsible for their commercial engagements. In most Banking Establishments this fund of credit is considerable, in others immense; especially in those where the shares are numerous, and are held in small proportions, many of them by persons of landed estates, whose fortunes, however large, and however small their share of stock, must be all liable to the engagements of the Bank. In England, as I believe, the number of

the partners engaged in a Banking concern cannot exceed five; and though of late years their landed property has been declared subject to be attached by their commercial creditors, yet no one can learn, without incalculable trouble, the real value of that land, or with what mortgages it is burthened. Thus, *cæteris paribus*, the English Banker cannot make his solvency manifest to the public, therefore cannot expect, or receive, the same unlimited trust, which is willingly and securely reposed in those of the same profession in Scotland.

Secondly, the circulation of the Scottish bank-notes is free and unlimited; an advantage arising from their superior degree of credit. They pass without a shadow of objection through the whole limits of Scotland, and, although they cannot be legally tendered, are current nearly as far as York, in England. Those of English Banking Companies seldom extend beyond a very limited horizon: in two or three stages from the place where they are issued, many of them are objected to, and give perpetual trouble to any traveller who has happened to take them in change on the road. Even the most credit-

able provincial notes never approach London in a free tide—never circulate like blood to the heart, and from thence to the extremities, but are current within a limited circle; often, indeed, so very limited, that the notes issued in the morning, to use an old simile, fly out like pigeons from the dovecot, and are sure to return in the evening to the spot which they have left at break of day.

Owing to these causes, and others which I forbear mentioning, the profession of provincial Bankers in England is limited in its regular profits, and uncertain in its returns, to a degree unknown in Scotland; and is, therefore, more apt to be adopted in the south by men of sanguine hopes and bold adventure, (both frequently disproportioned to the extent of their capital,) who sink in mines, or other hazardous speculations, the funds which their banking credit enables them to command, and deluge the country with notes, which, on some unhappy morning, are found not worth a penny;—as those to whom the foul fiend has given apparent treasures, are said in due time to discover they are only pieces of slate.

I am aware it may be urged, that the restrictions imposed on those English provincial Banks are necessary to secure the supremacy of the Bank of England; on the same principle on which dogs kept near the purlieus of a royal forest, were anciently lamed by the cutting off of one of the claws, to prevent their interfering with the royal sport. This is a very good regulation for England, for what I know; but why should the Scottish institutions, which do not, and cannot, interfere with the influence of the Bank of England, be put on a level with those of which such jealousy is, justly or unjustly, entertained? We receive no benefit from that immense Establishment, which, like a great oak, overshadows England from Tweed to Cornwall—Why should our national plantations be cut down or cramped for the sake of what affords us neither shade nor shelter, and which besides can take no advantage by the injury done to us? Why should we be subjected to a monopoly, from which we derive no national benefit?

I have only to add, that Scotland has not felt the slightest inconvenience from the want of specie, nay, that it has never been in request among

them. A tradesman will take a guinea more unwillingly than a note of the same value—to the peasant the coin is unknown. No one ever wishes for specie save when upon a journey to England. In occasional runs upon particular houses, the notes of other Banking Companies have always been the value asked for—no holder of these notes ever demanded specie. The credit of one establishment might be doubted for the time—that of the general system was never brought into question. Even Avarice, the most suspicious of passions, has in no instance I ever heard of, desired to compose her hoards by an accumulation of the precious metals. The confidence in the credit of our ordinary medium has not been doubted even in the dreams of the most irritable and jealous of human passions.

All these considerations are so obvious, that a statesman so acute as Mr Robinson must have taken them in at the first glance, and must at the same time have deemed them of no weight, compared with the necessary conformity between the laws of the two kingdoms. I must, therefore, speak to the justice of this point of uniformity.

Sir, my respected ancestor, Sir Mungo, when

he had the distinguished honour to be *whipping*, or rather *whipped boy*, to his Majesty James the Sixth of gracious memory, was always, in virtue of his office, scourged when the King deserved flogging; and the same equitable rule seems to distinguish the conduct of Government towards Scotland, as one of the three United Kingdoms. If Pat is guilty of peculation, Sister Peg loses her Boards of Revenue—if John Bull's cashiers mismanage his money-matters, those who have conducted Sister Margaret's to their own great honour, and her no less advantage, must be deprived of the power of serving her in future; at least that power must be greatly restricted and limited.

"Quidquid delirant reges plectuntur Achivi."

That is to say, if our superiors of England and Ireland eat sour grapes, the Scottish teeth must be set on edge as well as their own. An uniformity in benefits may be well—an uniformity in penal measures, towards the innocent and the guilty, in prohibitory regulations, whether necessary or not, seems harsh law, and worse justice.

This levelling system, not equitable in itself, is infinitely unjust, if a story, often told by my poor old grandfather, was true, which I own I am inclined to doubt. The old man, sir, had learned in his youth, or dreamed in his dotage, that Scotland had become an integral part of England,—not in right of conquest, or rendition, or through any right of inheritance,—but in virtue of a solemn Treaty of Union. Nay, so distinct an idea had he of this supposed Treaty, that he used to recite one of its articles to this effect:—"That the laws in use within the kingdom of Scotland, do, after the Union, remain in the same force as before, but alterable by the Parliament of Great Britain, with this difference between the laws concerning public right, policy, and civil government, and those which concern private right, that the former may be made the same through the whole United Kingdom; but that no alteration be made on laws which concern private right, *excepting for the evident utility of the subjects within Scotland*." When the old gentleman came to the passage, which you will mark in italics, he always clenched his fist, and exclaimed, "*Nemo me impune*

lacesset!" which, I presume, are words belonging to the black art, since there is no one in the Modern Athens conjuror enough to understand their meaning, or at least to comprehend the spirit of the sentiment which my grandfather thought they conveyed.

I cannot help thinking, sir, that if there had been any truth in my grandfather's story, some Scottish Member would, on the late occasion, have informed the Chancellor of the Exchequer, that, in virtue of this Treaty, it was no sufficient reason for innovating upon the private rights of Scotsmen in a most tender and delicate point, merely that the Right Honourable Gentleman saw no reason why the same law should not be current through the whole of his Majesty's dominions; and that, on the contrary, it was incumbent upon him to go a step further, and to show that the alteration proposed *was* for the EVIDENT UTILITY *of the subjects within Scotland*,—a proposition disavowed by the Right Honourable Gentleman's candid admission, as well as by that of the Prime Minister, and contradicted in every circumstance by the actual state of the case.

Methinks, sir, our "Chosen Five-and-Forty," supposing they had bound themselves to Ministers by such oaths of silence and obedience, as are taken by Carthusian friars, must have had free-will and speech to express their sentiments, had they been possessed of so irrefragable an argument in such a case of extremity. The sight of a father's life in danger is said to have restored the power of language to the dumb; and truly, the necessary defence of the rights of our native country is not, or at least ought not to be, a less animating motive. Lord Lauderdale almost alone interfered, and procured, to his infinite honour, a delay of six months in the extension of this act,—a sort of reprieve from the southern *jougs*,—by which we may have some chance of profiting, if, during the interval, we can show ourselves true Scotsmen, by some better proof than merely by being "wise behind the hand."

In the first place, sir, I would have this Old Treaty searched for, and should it be found to be still existing, I think it decides the question. For, how can it be possible, that it should be for the "evident utility" of Scotland to alter

her laws of private right, to the total subversion of a system under which she is admitted to have flourished for a century, and which has never within North Britain been attended with the inconveniencies charged against it in the sister country, where, by the way, it never existed? Even if the old parchment should be voted obsolete, there would be some satisfaction in having it looked out and preserved—not in the Register-Office, or Advocates' Library, where it might awaken painful recollections—but in the Museum of the Antiquaries, where, with the Solemn League and Covenant, the Letter of the Scottish Nobles to the Pope on the independence of their country, and other antiquated documents once held in reverence, it might silently contract dust, yet remain to bear witness that such things had been.

I earnestly hope, however, that an international league of such importance may still be found obligatory on both the *high* and the *low* contracting parties; on that which has the power, and apparently the will, to break it, as well as on the weaker nation, who cannot, without incurring still worse, and more miserable consequences, oppose aggression, otherwise than by

invoking the faith of treaties, and the national honour of Old England.

In the second place, all ranks and bodies of men in North Britain, (for all are concerned, the poor as well as the rich,) should express by petition their sense of the injustice which is offered to the country, and the distress which will probably be the necessary consequence. Without the power of issuing their own notes, the Banks cannot supply the manufacturer with that credit which enables him to pay his workmen, and wait his return; or accommodate the farmer with that fund which makes it easy for him to discharge his rent, and give wages to his labourers, while in the act of performing expensive operations which are to treble or quadruple the produce of his farm. The trustees on the high-roads and other public works, so ready to stake their personal credit for carrying on public improvements, will no longer possess the power of raising funds by doing so. The whole existing state of credit is to be altered from top to bottom, and Ministers are silent on any remedy which such a state of things would imperiously require.

These are subjects worth struggling for, and rather of more importance than generally come before County Meetings. The English legislature seems inclined to stultify our Law Authorities in their department; but let us at least try if they will listen to the united voice of a Nation in matters which so intimately concern its welfare, that almost every man must have formed a judgment on the subject, from something like personal experience. For my part, I cannot doubt the result.

Times are undoubtedly different from those of Queen Anne, when, Dean Swift having in a political pamphlet passed some sarcasms on the Scottish nation, as a poor and fierce people, the Scythians of Britain,—the Scottish Peers, headed by the Duke of Argyle, went in a body to the Ministers, and compelled them to disown the sentiments which had been expressed by their partizan, and offer a reward of L.300 for the author of the libel, well known to be the best advocate and most intimate frined of the existing administration. They demanded also, that the printer and publisher should be prosecuted before the House of Peers; and Harley, however unwillingly, was obliged to yield to their demand.

In the celebrated case of Porteous, the English legislature saw themselves compelled to desist from vindictive measures, on account of a gross offence committed in the Metropolis of Scotland. In that of the Roman Catholic bill, they yielded to the voice of the Scottish people, or rather of the Scottish mob, and declared the proposed alteration of the Law should not extend to North Britain. The cases were different, in point of merit, though the Scots were successful in both. In the one, a boon of clemency was extorted; in the other, concession was an act of decided weakness. But ought the present administration of Great Britain to show less deference to our temperate and general remonstrance, on a matter concerning ourselves only, than their predecessors did to the passions, and even the ill-founded and unjust prejudices, of our ancestors?

Times, indeed, have changed since those days, and circumstances also. We are no longer a poor, that is, so *very poor* a country and people; and as we have increased in wealth, we have become somewhat poorer in spirit, and more loath to incur displeasure by contests upon mere etiquette, or national prejudice. But we have some

grounds to plead for favour with England. We have borne our pecuniary impositions, during a long war, with a patience the more exemplary, as they lay heavier on us from our comparative want of means—our blood has flowed as freely as that of England or of Ireland—our lives and fortunes have been as unhesitatingly devoted to the defence of the empire—our loyalty as warmly and willingly displayed towards the person of our Sovereign. We have consented with submission, if not with cheerfulness, to reductions and abolitions of public offices, required for the good of the state at large, but which must affect materially the condition, and even the respectability, of our over-burthened aristocracy. We have in every respect conducted ourselves as good and faithful subjects of the general Empire.

We do not boast of these things as actual merits; but they are at least duties discharged, and in an appeal to men of honour and of judgment, must entitle us to be heard with patience, and even deference, on the management of our own affairs, if we speak unanimously, lay aside party feeling, and use the voice of one leaf of the holy

Trefoil,—one distinct and component part of the United Kingdoms.

Let no consideration deter us from pleading our own cause temperately but firmly, and we shall certainly receive a favourable audience. Even our acquisition of a little wealth, which might abate our courage on other occasions, should invigorate us to unanimous perseverance at the present crisis, when the very source of our national prosperity is directly, though unwittingly, struck at. Our plaids are, I trust, not yet sunk into Jewish gaberdines, to be wantonly spit upon; nor are we yet bound to "receive the insult with a patient shrug." But exertion is now demanded on other accounts than those of mere honourable punctilio. Misers themselves will struggle in defence of their property, though tolerant of all aggressions by which that is not threatened. Avarice herself, however mean-spirited, will rouse to defend the wealth she possesses, and preserve the means of gaining more. Scotland is now called upon to rally in defence of the sources of her national improvement, and the means of increasing it; upon which, as none are so much concerned in the

subject, none can be such competent judges as Scotsmen themselves.

I cannot believe so generous a people as the English, so wise an administration as the present, will disregard our humble remonstrances, merely because they are made in the form of peaceful entreaty, and not *secundum perfervidum ingenium Scotorum*, with "durk and pistol at our belt." It would be a dangerous lesson to teach the empire at large, that threats can extort what is not yielded to reasonable and respectful remonstrance.

But this is not all. The principle of "uniformity of laws," if not manfully withstood, may have other blessings in store for us. Suppose, that when finished with blistering Scotland while she is in perfect health, England should find time and courage to withdraw the veil from the deep cancer which is gnawing her own bowels, and make an attempt to stop the fatal progress of her *poor-rates*. Some system or other must be proposed in its place—a grinding one it must be, for it is not an evil to be cured by palliatives. Suppose the English, for uniformity's sake, insist

that Scotland, which is at present free from this foul and shameful disorder, should nevertheless be included in the severe *treatment* which the disease demands, how would the landholders of Scotland like to undergo the scalpel and cautery, merely because England requires to be scarified?

Or again;—Supposing England should take a fancy to impart to us her sanguinary criminal code, which, too cruel to be carried into effect, gives every wretch that is condemned a chance of one to twelve that he shall not be executed, and so turns the law into a lottery—would this be an agreeable boon to North Britain?

Once more;—What if the English ministers should feel disposed to extend to us their equitable system of process respecting civil debt, which divides the advantages so admirably betwixt debtor and creditor—*That* equal dispensation of justice, which provides that an imprisoned debtor, if a rogue, may remain in undisturbed possession of a great landed estate, and enjoy in a jail all the luxuries of Sardanapalus, while the wretch to whom he owes money is starving; and that, to balance the matter, a creditor,

if cruel, may detain a debtor in prison for a life-time, and make, as the established phrase goes, *dice of his bones*—Would this admirable reciprocity of privilege, indulged alternately to knave and tyrant, please Saunders better than his own humane action of Cessio, and his equitable process of Adjudication?

I will not insist farther on such topics, for I dare say, that these apparent enormities in principle are, in England where they have operation, modified and corrected in practice by circumstances unknown to me; so that in passing judgement on them, I may myself fall into the error I deprecate, of judging of foreign laws without being aware of all the premises. Neither do I mean that we should struggle with illiberality against any improvements which can be borrowed from English principle. I would only desire that such ameliorations were adopted, not merely because they are English, but because they are suited to be assimilated with the laws of Scotland, and lead, in short, *to her evident utility*; and this on the principle, that in transplanting a tree, little attention need be paid to the character of the climate and soil from which it is

brought, although the greatest care must be taken that those of the situation to which it is transplanted are fitted to receive it. It would be no reason for planting mulberry-trees in Scotland, that they luxuriate in the south of England. There is sense in the old proverb, "Ilk land has its ain lauch."

In the present case, it is impossible to believe the extension of these restrictions to Scotland can be for the *evident utility* of the country, which has prospered so long and so uniformly under directly the contrary system.

It is very probable I may be deemed illiberal in all this reasoning; but if to look for information to practical results, rather than to theoretical principles, and to argue from the effect of the experience of a century, rather than the deductions of a modern hypothesis, be illiberality, I must sit down content with a censure, which will include wiser men than I. The philosophical tailors of Laputa, who wrought by mathematical calculation, had, no doubt, a supreme contempt for those humble fashioners who went to work by measuring the person of their customer; but Gulliver tells us, that the worst

clothes he ever wore, were constructed upon abstract principles; and truly I think we have seen some laws, and may see more, not much better adapted to existing circumstances, than the Captain's philosophical uniform to his actual person.

It is true, that every wise statesman keeps sound and general political principles in his eye, as the pilot looks upon his compass to discover his true course. But this true course cannot always be followed out straight and diametrically; it must be altered from time to time, nay, sometimes apparently abandoned, on account of shoals, breakers, and headlands, not to mention contrary winds. The same obstacles occur to the course of the Statesman. The point at which he aims may be important, the principle on which he steers may be just; yet the obstacles arising from rooted prejudices, from intemperate passions, from ancient practices, from a different character of people, from varieties in climate and soil, may cause a direct movement upon his ultimate object to be attended with distress to individuals, and loss to the community, which no good man would wish to occasion, and with

dangers which no wise man would voluntarily choose to encounter.

Although I think the Chancellor of the Exchequer has been rather precipitate in the decided opinion which he is represented to have expressed on this occasion, I am far from entertaining the slightest disrespect for the right honourable Gentleman. "I hear as good exclamation upon him as on any man in Messina, and though I am but a poor man, I am glad to hear it." But a decided attachment to abstract principle, and to a spirit of generalizing, is—like a rash rider on a headstrong horse—very apt to run foul of local obstacles, which might have been avoided by a more deliberate career, where the nature of the ground had been previously considered.

I make allowance for the temptation natural to an ingenious and active mind. There is a natural pride in following out an universal and levelling principle. It seems to augur genius, force of conception, and steadiness of purpose; qualities which every legislator is desirous of being thought to possess. On the other hand, the study of local

advantages and impediments demands labour and inquiry, and is rewarded after all only with the cold and parsimonious praise due to humble industry. It is no less true, however, that measures which go straight and direct to a great general object, without noticing intervening impediments, must often resemble the fierce progress of the thunderbolt or the canon-ball, those dreadful agents, which, in rushing right to their point, care not what ruin they make by the way. The sounder and more moderate policy, accommodating its measures to exterior circumstances, rather resembles the judicious course of a well-conducted highway, which, turning aside frequently from its direct course,

"Winds round the corn-field and the hill of vines,"

and becomes devious, that it may respect property and avoid obstacles; thus escaping even temporary evils, and serving the public no less in its more circuitous, than it would have done in its direct course.

Can you tell me, sir, if this *uniformity* of civil institutions, which calls for such sacrifices, be at

all descended from, or related to, a doctrine nearly of the same name, called Conformity in religious doctrine, very fashionable about 150 years since, which undertook to unite the jarring creeds of the United Kingdom to one common standard, and excited a universal strife by the vain attempt, and a thousand fierce disputes, in which she

"———— umpire sate,
And by decision more embroil'd the fray?"

Should Uniformity have the same pedigree, Malachi Malagrowther proclaims her "a hawk of a very bad nest."

The universal opinion of a whole kingdom, founded upon a century's experience, ought not to be lightly considered as founded in ignorance and prejudice. I am something of an agriculturist; and in travelling through the country, I have often had occasion to wonder that the inhabitants of particular districts had not adopted certain obvious improvements in cultivation. But, upon inquiry, I have usually found that appearances had deceived me, and that I had not reckoned on particular local circumstances,

which either prevented the execution of the system I should have theoretically recommended, or rendered some other more advantageous in the particular circumstances.

I do not therefore resist theoretical innovation in general; I only humbly desire it may not outrun the suggestions arising from the experience of ages. I would have the necessity felt and acknowledged before old institutions are demolished—the *evident utility* of every alteration demonstrated before it is adopted upon mere speculation. I submit our ancient system to the pruning-knife of the legislature, but would not willingly see our reformers employ a weapon, which, like the sword of Jack the Giant-Killer, *cuts before the point.*

It is always to be considered, that in human affairs, the very best imaginable result is seldom to be obtained, and that it is wise to content ourselves with the best which can be got. This principle speaks with a voice of thunder against violent innovation, for the sake of possible improvement, where things are already well. We ought not to desire better bread than is made of

wheat. Our Scottish proverb warns us to *let weel bide;* and all the world has heard of the untranslateable Italian epitaph upon the man, who died of taking physic to make him better, when he was already in health.

I am, Mr Journalist,

Yours,

MALACHI MALAGROWTHER.

POSTSCRIPT.

Since writing these hasty thoughts, I hear it reported that we are to have an extension of our precarious reprieve, and that our six months are to be extended to six years. I would not have Scotland trust to this hollow truce. The measure ought, like all others, to be canvassed on its merits, and frankly admitted or rejected; it has been stirred, and ought to be decided. I request my countrymen not to be soothed into inactivity by that temporizing, and, I will say, unmanly vacillation. Government is pledged to nothing

by taking an open course; for if the bill, so far as applicable to Scotland, is at present absolutely laid aside, there can be no objection to their resuming it at any period, when, from change of circumstances, it may be advantageous to Scotland, and when, for what I know, it may be welcomed as a boon.

But if held over our heads as a minatory measure, to take place within a certain period, what can the event be but to cripple and ultimately destroy the present system, on which a direct attack is found at present inexpedient? Can the Bankers continue to conduct their profession on the same secure footing, with an abrogation of it in prospect? Must it not cease to be what it has hitherto been—a business carried on both for their own profit, and for the accommodation of the country? Instead of employing their capital in the usual channels, must they not in self-defence employ it in forming others? Will not the substantial and wealthy withdraw their funds from that species of commerce? And may not the place of these be supplied by men of daring adventure, without

corresponding capital, who will take a chance of wealth or ruin in the chances of the game?

If it is the absolute and irrevocable determination that the bill is to be extended to us, the sooner the great penalty is inflicted the better; for in politics and commerce, as in all the other affairs of life, absolute and certain evil is better than uncertainty and protracted suspense.

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A

SECOND LETTER

TO THE

Editor of the Edinburgh Weekly Journal,

FROM

MALACHI MALAGROWTHER, Esq.

ON THE

PROPOSED CHANGE OF CURRENCY,

AND

OTHER LATE ALTERATIONS,

AS THEY AFFECT, OR ARE INTENDED TO AFFECT,

THE

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LETTER SECOND,

ON THE

PROPOSED CHANGE OF CURRENCY.

TO THE EDITOR

OF THE EDINBURGH WEEKLY JOURNAL.

DEAR MR JOURNALIST,

WHEN I last wrote to you, I own it was with the feelings of one who discharges a painful duty, merely because he feels it to be one, and without much hope of his endeavour being useful. Swift says that kingdoms may be subject to poverty and lowness of heart as well as individuals; and that in such moments they become reckless of their own interests, and contract habits of submission, which encourage those who wish to take advantage of them to prefer the most unreason-

able pretensions. It was when Esau came from the harvest, faint and at point to die, that Jacob proposed to him his exorbitant bargain of the mess of pottage. There is a deep and typical mystery under the scriptural transaction; but, taken as a simple fact, the sottish facility of the circumvented heir rather aggravates the unfeeling selfishness of the artful brother, to whom he was made a dupe. The "whoreson Apoplexy" of Scotland may be rather a case of repletion than exhaustion, but it has the same dispiriting effects.

Yet, into whatsoever deep and passive slumber our native country may have been lulled from habits of peaceful acquiescence, the Government have now found a way to awaken her. The knife has gone to the very quick, and the comatose patient is roused to most acute possession of his feelings and his intellect. The heather is on fire far and wide; and every man, woman, and child in the country, are bound by the duty they owe to their native land, to spread the alarm and increase the blaze.

——— Jam proximus ardet
Ucalegon———

The city of Edinburgh has uttered a voice becoming the ancient Queen of the North. The Law Bodies, and the Gentry of Mid-Lothian, have set the example of petitioning Government, and proclaiming their sense of the measure designed; it has been followed in other counties, and I trust to see it soon spread into the smallest burghs, into the most wild districts of Scotland. There are none which the impending misery will not reach—there are no Scotchmen so humble that they have not a share in a national insult, so lowly that they will not suffer from a national wrong—none that are uninterested in maintaining our rights both individually, and as a people—and none, I trust, that have not spirit to do so, by all legal and peaceable means.

I congratulate you, sir, on the awakened spirit of our representatives in the two Houses of Parliament. Our true-hearted Duke of Athole, and Lord Lauderdale, whose acuteness and powers of thinking and reasoning may, without disparagement, be compared with those of any statesman now living, have set an example not to be forgotten; and we know that the slender proportion of aristocracy, which Scotland was

left in possession of at the Union, entertain the same patriotic sentiments. We are equally assured of the faith of our representatives in the Lower House, and they on their part may believe they will not serve an ungrateful public. Scotland expects from them the exertions corresponding to their high trust—a trust of which they must render an account to their constituents, and that very shortly. Let every body of electors, from Dumfries to Dingwall, instruct its representative upon their own sentiments, and upon the conduct which they desire he should hold during this great national crisis; and let the Administration be aware, that if any of our Members should desert the public cause on this occasion, they are not like to have the benefit of their implicit homage in the next Parliament. Burns's address to them in jest, is language which may now be held to the Scottish representatives in serious earnest:—

Does ony great man glunch and gloom,
Speak out and never fash your thumb;
Let posts and pensions sink or soom
Wi' those wha grant them;
If honestly they cannot come,
Far better want them.

I have been told by some cautious friends, that the time for such remonstrances as I do most earnestly recommend to our Scottish representatives, would be now more unfavourable than formerly—so unfavourable, that they represent the case as desperate. Admitting all I had said in my first Epistle, these *douce* men see no resource but in the most submissive acquiescence to the commands of those in whose breasts, they say, is now lodged the uncontrolled power to listen to reason, justice, nay, compassion, or to prefer the exercise of their own pleasure to the dictates of them all. Your birthright, proceed these Job's comforters, will be taken from you at all events by superior numbers. Yield it up, therefore, with a good grace, and thank God if they give you a mess of pottage in return—it will be just so much gain. These desponding persons explain the state of total insignificance into which, they say, we have fallen, by a reference to the Irish Union, which has added an hundred more Members to Parliament; so that the handful assigned to Scotland, (which never possessed a very influential power in the House, so far as numbers go,) must

now altogether lose consideration, in opposition to the majorities of a peremptory Minister, who, like the "merciless Macdonald,"

from the *Western Isle*,
With Kernes and Gallow-glasses is supplied.

It requires but little arithmetic to compute, that the fated number, forty-five, bears a less proportion to six hundred and thirteen than to five hundred and thirteen, the number of the House of Commons at the time of the Scottish Union. Yet, sir, I am not altogether discouraged with this comfortless prospect. I think I can see means of relief arising even out of the very difficulties of the case. Let us regard the matter somewhat more closely.

In the first place, I will consider what we can do by our present Scottish representation,—our own proper force. Next, I will have a friendly word or two with those same auxiliaries of Ireland, whom, perhaps, the Sassenagh may find less implicit followers in the present case, than my chicken-hearted advisers apprehend. Lastly, I will address myself to the English Members, and especially to such who, on great

occasions, prefer the exercise of their own understanding to an absolute and obsequious deference to the dictates of an Administration, however much they may respect the statesmen of whom it is composed, or are disposed to acquiesce in the general principles on which they act.

Upon the first point I beg to remind you, that much greater effect is derived from the decided, conjoined, and simultaneous exertion of a comparatively small force, than from the efforts of a more numerous body, not bound together by the same strong ties of duty and necessity. Battles have been often gained, and political measures have been as frequently carried, by the determined urgency, or no less determined resistance, of a comparatively insignificant number.

Nos numerus sumus, is a logical argument perfectly understood by an English Minister, and has had great weight in the scale. I will give a ludicrous instance of this. There was of old a certain Nobleman, who, by means of certain boroughs, sent certain members to Westminster, which members, being there, were certain to hold the same opinions with the Noble Lord, and to vote in the House of Commons

exactly to the same tune as his Lordship in the House of Peers. The Great Man, who was the animating soul of this Holy Alliance, had occasion to ask some favour of Government. It was probably something very unreasonable—at any rate, it was so disagreeable to the Minister, that, I am told, he would as soon have relished the proposal of giving silver for a twenty-shilling note of the Bank of Scotland. The Minister made civil excuses—the Peer observed in reply—*We are seven votes.*—The Minister stopped, cleared his throat, changed his argument.—*We are seven voices,* was again the only answer.—The Great Man, usually flattered, became flatterer in his turn—he conjured—he even threatened.—The Peer was as unassailable, in his numerical proposition, by entreaty or argument, as the sweet little rustic girl in a poem which it is almost sin to parody—

> Whate'er the Minister could say,
> The Noble Lord would have his way,
> And said, *Nay, we are seven.*

They parted on these terms. The Minister retired to rest, and dreamed that he saw the per-

tinacious Peer advancing to storm the cabinet, after having, like the great magician Kehama, broke himself up into seven sub-divisions of equal strength, and by means of this extraordinary process of multiplication, advancing to his daring enterprise by seven avenues at once. The vision was too horrible—and a "private and confidential" note gave the necessary assurance to the Noble Lord, that the magical number Seven had as much weight in Saint Stephen's, as Dr Slop assigns to it in the Catholic mysteries; so the seven planets continued to move regularly in their political orbit.

This is a strong proof, sir, of the *vis unita fortior*, and contains a good lesson for our Representatives upon the present occasion. It would be strange indeed, if they, to whom their country has given her confidence, should hesitate to save her from dishonour and deep distress, which may approach nigh to ruin, [I will make my words good before I have done,] when it is only necessary that they should be as determined and inflexible, where the safety of an ancient kingdom is concerned, as the selfish old borough-jobber and his political friends showed them-

selves pertinacious, in pursuit of some wretched personal object of private advantage.

The Scottish Members of Parliament should therefore lose no time—not an instant—in uniting together in their national character of the Representatives of Scotland. If the scene were to be the British Coffee-House, the hour half past six o'clock P.M., and the preliminaries of business a few glasses of claret to national toasts, I should not have the worse opinion of the sense of the meeting. Their first resolution should be, to lay aside every party distinction which can interfere with the present grand object, of arresting a danger so evident, so general, so imminent. It may be at first an awkward thing for Whig and Tory to draw kindly together; for any of the natural Scottish spirit which is left among us has been sadly expended in feeding a controversy in which we must always play a subordinate part, and these party distinctions have become far too much a matter of habit to us on both sides to be easily laid aside. Indeed, we poor Scotsmen are so conscious that our civil wars are but paltry and obscure episodes in the great political quarrel, that we have usually en-

deavoured to attract attention, and excite an idea of their importance, by the personal violence and noisy ferocity with which we wage them. We, the Whigs and Tories of Scotland, have played in our domestic quarrels the respectable part of two bull-dogs, who think it necessary to go by the ears under the table, because their blue-sleeved beef-eating masters have turned up for a set-to. The quadrupeds worry each other inveterately, while not a soul notices them till the strife of the bipeds is appeased or decided, and then the bleeding and foaming curs are kicked separate by their respective owners. We play among the great *dramatis personæ* the part of *Mob on both sides*, who enter and scuffle in the back scene, and shout so that their cries at least may be heard, since no one will attend to anything which they say in articulate language. You may have been a bottle-holder of this kind, Mr Journalist, to one or other of the great parties. I am sure I have, and I daresay may have sometimes made mischief, though I have oftener endeavoured to prevent it: for, like the good knight Jacques de Lalain, "*De feu bouter ne voulois-je etre consentant.* Still, however limited my

share may have been in those jars, I have lived to see the day when I must regret bitterly my having had the slightest accession to them, could I conceive the opinions of so obscure an individual may have added gall to the bitterness which has estranged Scotsmen from each other. Let these follies be ended; and do not let us, like our ancestors at Falkirk, fall to jealousies among ourselves, when heart, and voice, and hand, should be united against the foreign *enemy*. I was about to eraze the last word; but let it remain, with this explanation—that the purpose of this invasion of our rights is acknowledged to be kind and friendly; but as the measure is unauthorized by justice, conducted without regard to the faith of treaties, and contrary to our national privileges, we cannot but term the enterprise a hostile one. When Henry VIII. dispatched a powerful invading army to compel the Scots to give the hand of their young Queen Mary to his son Edward, an old Scottish nobleman shrewdly observed, "He might like the match well enough, but could not brook the mode of wooing." We equally are sensible

of England's good will, we only do not relish the mode in which it is at present exhibited.

The Scottish Members having thus adopted a healing ordinance, reconciled their party quarrels, or laid them aside for the time, would by that very act decide the fate of their country; and when drinking to concord among Scotsmen of all political opinions,

> In the cup an *Union* shall they throw
> Better than that which four successive kings
> In Britain's crown have worn.

Thus united, sir, their task will be a very easy one. Let each, in his own style, and with the degree of talent, from plain common sense up to powerful eloquence, with which he chances to be gifted, state to administration the sentiments of his constituents, and those of his own breast; let it be perfectly understood that the Representatives of Scotland speak in the name of their country, and are determined, one and all, to see the threatened and obnoxious measure departed from, and till that time to enter into no public business,—I cannot help thinking that such a remonstrance, in a case of vital importance to Scotland, and of such trifling consequence to

England, would be of itself perfectly sufficient. But if not, our Representatives must stand firm. I would advise that, to all such intimations as are usually circulated, bearing, "That your presence is earnestly requested on such an evening of the debate, as such or such a public measure is coming on," the concise answer should be returned, "*We are five-and-forty;*" and that no Scottish Members do on such occasions attend —unless it be those who feel themselves conscientiously at liberty to vote against Government on the division. Is this expecting too much from our countrymen, on whom we have devolved so absolutely the charge of our rights, the duty of stating our wrongs? We exclaim to them in the language of the eloquent Lord Belhaven —"Should not the memory of our noble predecessors' valour and constancy rouse up our drooping spirits? Are our brave ancestors' souls got so far into the English cabbage-stock and cauliflower, that we should show the least inclination that way? Are our eyes so blinded— Are our ears so deafened—Are our hearts so hardened—Are our tongues so faltered—Are our hands so fettered, that, in this our day—I

say, my countrymen, in this our day, we should not mind the things that concern the well-being, nay, the very being, of our ancient kingdom, before the day be hid from our eyes?" If there is, among that chosen band, a mean-spirited Scotsman, who prefers the orders of the Minister to the unanimous voice of his Country, imploring the protection of her children, let England keep him to herself. Such a man is deaf even to the voice of self-interest, as well as of patriotism. He cannot be a Scotch proprietor—he hazards his own rents; he cannot be a Scotchman employed in commerce—he undermines his own trade; he cannot be a professional person—he sacrifices the law of his country; he cannot be a Scottish man in spirit—he betrays the honour of Scotland. Let him go out from among us—he is not of us. Let him, I say, remain in England, and we wish her joy of such a denizen. Let him have his title and his pension—for the cur deserves his collar and his bone. But do not let him come back to Scotland, where his presence will be as unwelcome to us, as our reception may be ungratifying to him.

It is needless to say, that what Scotland de-

mands from her representatives in the House of Commons, she expects, with equal confidence and ardour, from the small, but honourable portion of the Upper House, who draw their honours from her ancient domains. Their ancestors have led her armies, concluded her treaties, managed her government, served her with hand and heart, sword and pen; and by such honourable merit with their country, have obtained the titles and distinctions which they have transmitted to the present race, by whom, we are well assured, they will be maintained with untarnished honour. A Scottish Lord will dare all, save what is dishonourable; and whom among them could we suspect of deserting the Parent of his Honours, at the very moment when she is calling upon him for his filial aid? Sir, I pledge myself, ere I am done, to give such a picture of the impending distress of this country, that a Scotsman, and especially a Scottish nobleman, would need to take opium and mandragora, should he hope to slumber, after having been accessary to bringing it on. If the voice of the public in streets and highways did not cry shame on his degeneracy, even inanimate objects would find a voice of reprobation. The stones of his ancient castle would

speak, and the portraits of his ancestors would frown and look black upon him, as he wandered in his empty halls, now deprived of the resort of the rich, and the homage of the vassal. But I have no fear of this. A little indolence—a little indifference—may have spread itself among our young men of rank; it is the prevailing fashion and fault of the day. But the trumpet of war has always chased away such lethargic humours; and the cry of their common Country, that invocation which Scotland now sends forth from one end of the land to the other, is a summons yet more imperious, and will be, I am confident, as promptly obeyed.

It may be said, that the measures which I venture to recommend to our Scottish representatives, of tacking, as it were, their Petition of Rights, to every other measure, and making it, so far as they can, a *sine quo non* to their accommodation with Government, may be the means of interrupting the general business of the empire.

To this objection I reply, *First*, that I only recommend such a line of conduct as an *ultimum remedium*, after every other and milder mode of seeking redress shall have been resorted to, and

exhausted without effect. *Secondly*, In case of need it cannot be denied, that the plan proposed is a Parliamentary remedy, and corresponds with the conduct of patriots upon former occasions, when they conceived that the magnitude of the object in view warranted their making the most vigorous efforts to obtain it. *Thirdly*, It will not be difficult to demonstrate, that, whatever prejudice may be suffered from a temporary delay of other business, it will be incalculably less than the evil, which will infallibly ensue upon the obnoxious measure in question being adopted; an evil, the effect of which cannot be confined to Scotland alone, (for no component part of the empire can have sufferings so local, that the consequences do not extend to the others,) but must reach England and Ireland also. When a limb of the human body is disjointed or broken, the whole frame must feel the effect of it.

But to return to the opinion of my cautious friends, who believed that the proportional numbers of the Scottish Members being so small, compared to those of England and Ireland, no good issue could be hoped from their exertions, however united, however zealous. I reply, that their country is entitled to expect

from them resistance in her behalf, not only while a spark of hope remains, but when that last spark is extinguished. There is no room for compromise or surrender. Our statesmen of to-day must be like our soldiers in ages past—

> They must fight till their hand to the broadsword is glued,
> They must fight against fortune with heart unsubdued.

If they do so, not only will they play the part of true men and worthy patriots, but they will procure that sort of weight with their constituents, which will enable them to be useful, and, with the blessing of God, effectual mediators, in what, I fear, is likely to prove a very distracted time and country.

But besides this, I can tell my timorous friends, as Hotspur does his cautious correspondent,—"Out of this nettle Danger we pluck the flower Safety." I do not think the Imperial Parliament, consisting, as it now does, of deputies from every kingdom of the Union, is so likely to take a hasty and partial view of any appeal from Scotland, as it might have been when we had to plead our cause before the Parliament of Great Britain only. I trust we should in no case have been treated unjustly or harshly,

and I will presently state my reasons for thinking that we should not; but, arguing the question on the illiberal and almost calumnious idea, that, if not confuted in argument, we were in danger to be borne down by force of numbers, I should derive hope, not fear, from the introduction of the third Kingdom into the discussion.

Betwixt Scotland and England, Mr Journalist, there have been, as you are aware, ancient causes of quarrel, lulled to sleep during the last fifty years, until of late, when a variety of small aggressions, followed by the present seven-leagued stride, show that perhaps they have not been so fully forgotten by our neighbours, as we thought in our simplicity, and that the English Ministers may not be indisposed to take the opportunity of our torpidity to twitch out our fang-teeth, however necessary for eating our victuals, in case we should be inclined, at some unlucky moment, to make a different use of them. Or, the line of conduct of which we complain, may be compared to a well-known operation resorted to for taming the ferocity of such male animals as are intended for domestication, and to be employed in patient drudgery. The animal becomes fat, patient, sleek, and in so far is bene-

fited by the operation; but had his previous consent been required, I wonder what the poor Scotch stot would have said?

Patrick, my warm-hearted and shrewd friend, how should you like this receipt for domestication, should it travel your way? You have your own griefs, and your own subjects of complaint,—are you willing to lose the power of expressing them with energy? You have only to join with the Ministry on this debate—you have only to show in what light reverence you are willing to hold the articles of an Union not much above a century old, and then you will have time to reflect at leisure upon the consequences of such an example. In such a case, when your turn comes, (and come be sure it will,) you will have signed your own sentence. You will have given the fatal precedent to England of the annihilation of a solemn treaty of incorporating Union, and afforded the representatives of Scotland vindictive reasons for retaliating upon you the injury which you aided England in inflicting upon us. Whereas—step this way, Pat—and see there is nobody listening—why should not you and we have a friendly understanding, and assist each other, as the weaker

parties, against any aggressions, which may be made upon either of us, "for uniformity's sake?" —Your fathers are called by our Scottish Kings, "Their ancient friends of the Erischerie of Eirland," and for my part I have little doubt that Malachi, who wore the collar of gold, must have been an ancestor of my own. Now, what say you to a league offensive and defensive, against all such measures as tend to the suppression of any just right belonging to either country, in virtue of the Articles of Union respectively?— You are a scholar, Pat—

"*Tua res agitur, proxima cum paries ardet.*"

Between ourselves, Patrick, John Bull is, not unnaturally, desirous of having rather more than his own share in managing the great national coach-and-six. He will drive four-in-hand; and though he has hitherto allowed you a postilion of your own, yet in some scheme of economy he may dismiss him if you do not look sharp, and drive the whole set of six horses himself. It is different portions of their ancient independence which are reserved to Scotland and Ireland by their respective treaties of Union. Scotland retained her ancient laws, and Ireland a typical

representation of her national sovereignty. But both rights are held by the same tenure, and if Ireland set an example, by aiding a gross infringement of the Scottish Union—if she aid England, in destroying for mere humour—I beg pardon, for mere "uniformity's sake,"—every little mark of independence which is left us—if she countenance the obvious desire which exhibits itself to break down all peculiar privileges due to the separate nations of the Union, to engross the whole management in Boards, which, sitting in London, and begirt by Englishmen, are to dispense the patronage, and direct the improvements, of another nation of the Union, Ireland will accelerate her own then unpitied degradation. What is our case to-day, brothers of Erin, will be yours the instant you have got a little tranquillity—are caught napping—and are in condition to have the aforesaid ceremony practised upon you without danger—I mean danger to the operator, for peril to the creature itself is of no consequence. I see you grasp your shilela at the very thought! Enough; we understand each other: Let us be friends. Patrick aids Saunders to-day; Saunders pays back Patrick to-morrow, or I will

throw away my thistle, burn my St Andrew's cross, and disclaim my Country!

But what do I talk of to-day or to-morrow? The cause of Ireland is tried ALONG WITH that of Scotland. She stands, at this very moment, at the bar beside her Sister, and the prohibitory decree passed against the system of currency, which has spread universal fertility through Scotland, is extended to Ireland at the very moment when she proposed to have recourse to it, as well suited to the improvement of her rich soil, and promising the extension of means of cultivation, where cultivation is so greatly wanted, and would be so productive in the return. I am certain that I am correct in saying, that, in the course of last summer, there were several Banking Companies on the Scottish plan on the point of being established in different parts of Ireland, and Scotsmen of experience, capable of understanding and directing such establishments, were eagerly sought for, and invited over to act as superintendants. Whether the system which had been so eminently successful in Scotland might be found quite as well qualified for the meridian of Ireland, it would be great presumption in me to decide. But it is very likely that success

would ensue, provided too much were not expected at once, and that the requisite discretion were used in bounding the issue of notes, and the grants of credit. More or less probable, it was at least an experiment which Ireland had apparently a perfect right to make, an experiment by which she might reasonably hope to profit; and if she was willing to undertake it at her own risk, I can conceive nothing more unjust than preventing her from doing so—excepting always the still greater iniquity of interdicting in Scotland a system, the benefit of which has been proved by a century's experience, during all which period it has been attended with advantage, but in the last fifty years with the most brilliant success.

Ireland is therefore called upon to interfere on this occasion, not merely by the chance of standing, at some no very distant period, in the very predicament in which Scotland is now placed, but from the stake which she herself has in the question at issue. She cannot but remember that Rome subjected the free states around her much less by the force which was actually her own, than by the use which she made of those whom she had rendered her tools

under the name of auxiliaries. The Batavians were employed in the conquest of Britain, the flower of the Britons were carried off from their native country, that they might help to subjugate the Germans. But such a policy, were it entertained, is not likely to deceive nations in the present age, when statesmen are judged of not more by the measure which they mete to countries less capable of resistance, than by that which they use in dealing towards one upon whom it may not be immediately convenient to inflict the same unjust terms.

Ireland may read her future fate in that of Scotland, as in a mirror. Does she still continue to entertain any wish of imitating the Scottish system? the measure of interdiction about to be passed against her renders it impossible.—Does she still expect to be occasionally consulted in the management of her own affairs? She may lay aside for ever that flattering hope, unless she makes common cause with her sister of Scotland, where every human being in the nation is entreating and imploring that dearest privilege of a free country.—Finally, let us have a word of explanation with England herself.

And first let me say, that although the urgent

necessity of the case requires that it should be pleaded in every possible form which its advocates can devise—although I press upon Scotland the necessity of being importunate, steady, and unanimous—although I show to Ireland the deep interest which she also must feel in the question at issue, yet it is to England herself, and to her representatives in Parliament, that, taking upon me, however unworthy, to speak for my Country, when the task is perhaps an obnoxious one, I make my most immediate, and I trust not an ineffectual appeal.

The motto of my epistle may sound a little warlike; but, in using it,* I have only employed the summons which my countrymen have been best accustomed to obey. Saunders, if it please your honours, has been so long unused to stand erect in your honours' presence, that, if I would have him behave like a man, I must (like Sir Lucius O'Trigger backing Bob Acres) slap him on the shoulder, and throw a word in every now

* It was the following verse of an old song:—

When the pipes begin to play
Tutti taittie to the drum,
Out claymore, and down wi' gun,
And to the rogues again!

I have laid it aside in this edition, some cautious friends thinking it liable to misinterpretation.

and then about his *honour*. But it is not a hostile signal towards you. The drums beat *to arms* and the trumpets sound *Heraus*, as well when the soldiers are called out for a peaceful as for a military object. And, which is more to the purpose, the last time the celebrated Fiery Cross was circulated in the Highlands, (it was in the country of the Grants,) the clansmen were called forth not to fight an enemy, but to stop the progress of a dreadful conflagration which had been kindled in the woods. To my countrymen I speak in the language of many recollections, certain they are not likely to be excited beyond the bounds of temperate and constitutional remonstrance, but desirous, by every effort in my power, to awaken them to a sense of their national danger.

England—were it mine to prescribe the forms, my native country ought to address nearly in the words of her own Mason, mangled, I fear, in my recollection—

> "Sister, to thee no ruder spell
> Will Scotland use, than those that dwell
> In soft Persuasion's notes, and lie
> Twined with the links of *Harmony*."

Let us, therefore, my countrymen, make a pro-

per and liberal allowance for the motives of the Ministers and their friends on this occasion. We ought not to be surprised that English statesmen, and Englishmen in general, are not altogether aware of the extent of the Scottish privileges, or that they do not remember, with the same accuracy as ourselves, that we have a system of laws peculiar to us, secured by treaties. These peculiarities have not, by any question lately agitated, been placed under their view and recollection. As one race grows up, and another dies away, remembrances which are cherished by the weaker party in a national treaty, are naturally forgotten by the stronger, and viewed, perhaps, as men look upon an old boundary stone, half-sunk in earth, half-overgrown with moss, and attracting no necessary attention, until it is appealed to as a proof of property. Such antiquated barriers are not calculated immediately to arrest the progress of statesmen intent upon some favourite object, any more than, when existing on the desolate mountain in their physical shape, such a bound-mark as I have described, always checks the eagerness of a stranger upon the moors, in keen and close pursuit of his game. But explain to the ardent young Southern sportsman that he trespasses upon the manor

of another—convince the English statesman that he cannot advance his favourite object without infringing upon national right,—and, according to my ideas of English honour and good faith, the one will withdraw his foot within the boundary of private property, with as much haste as if he trod on burning marle; the other will curb his views of public good, and restrain even those within the limits which are prescribed by public faith. They will not, in either case, forget the precepts so often reiterated in Scripture, fenced there with a solemn anathema, and received as matter of public jurisprudence by the law of every civilized country—"Remove not the old land-mark, and enter not into the fields of the fatherless." The high and manly sense of justice by which the English nation has been honourably distinguished through the world, will not, I am certain, debase itself by aggression towards a people, which is not indeed incapable of defending itself, but which, though fearless of inequality, and regardless of threats, is yet willing to submit even to wrong, rather than hazard the fatal consequences to be incurred by obstinate defence, *via facti*, of its just rights. We make the sense of English justice and honour our judge; and surely it would be hard

to place us in a situation where our own sense of general mischief likely to ensue to the empire, may be the only check upon the sentiments which brave men feel, when called on to defend their national honour. There would be as little gallantry in such an aggression, as in striking a prisoner on parole.

It is to explain more particularly to the English nation, the real and deep reason which Scotland has to combat the present purpose of Ministers, that I have chiefly undertaken this Second Epistle.

I have stated in my former Letter, that the system respecting the currency, which is now about to be abrogated, has been practised in Scotland for about one hundred and thirty years, with the greatest advantage to the country and inhabitants. I have also shown from the Treaty of Union, that it cannot be altered, unless the preliminary is established to the conviction of Parliament, that the alteration is for the EVIDENT ADVANTAGE *of the subjects in Scotland*. No advantage, evident or remote, has ever been hinted at, so far as Scotland is concerned: it has only been said, that it will be advantageous to England, to whose measures Scotland must be

conformable, as a matter of course, though in the teeth of the article stipulated by our Commissioners, and acceded to by those of England, at the time of the Union. I have therefore gained my cause in any fair Court.

But protesting that I have done enough to entitle me to a judgment, I have no objection to go a step farther; and, taking on myself a burthen of proof, which could not be justly imposed on me, I am willing to explain in a general and popular manner the peculiar nature of the paper currency in Scotland, and especially the guards and protections by which it is secured against such evil consequences as have resulted in England from a system the same in name, but operating very differently in practice.

The people of Scotland are by no means, as a hasty view of their system of currency might infer, liable to be imposed upon, or to suffer loss, through the rash and crude speculations of any man, or association of men, who, without adequate capital and experience, might choose to enter into a Banking concern, and issue their own notes.

The Banking Companies of Scotland, who ake on themselves the issuing of notes, are, no

doubt, independent of each other so far as they severally contract with the public; but a certain course of correspondence and mutual understanding is indispensable among themselves, and, in that respect, the whole Banks and Banking Companies in Scotland may be said to form a republic, the watchful superintendence of the whole profession being extended to the strength or weakness of the general system at each particular point; or, in other words, to the management of each individual Company.

No new Banking institution can venture to issue notes to the public, till they have established a full understanding that these notes will be received as cash by the other Banks. Without this facility, an issue of notes would never take place, since, if issued, they could have no free or general currency. It is not the interest of the established Banks to raise rivals in their own profession, and it is directly contrary to that interest to accept of payment in the notes of a new Company, to whose responsibility there occurs any shadow of doubt. They, therefore, only agree to give currency to such new issues, where satisfactory information has been obtained of the safety of affording it. The public have, in this

manner, the best possible guarantee against rash and ill-concocted speculations, from those who are not only best informed on the subject, but, being most interested in examining each new project of the kind, are least likely to be betrayed into a rash confidence, and have the power of preventing a doubtful undertaking at the very outset.

The circulation of a Scottish Banking Company, when once established, cannot maintain itself a week without redeeming its pledge to the Banks which receive its notes, by taking them up, and replacing the value either in the notes of such Banks reciprocally, or in specie. A check is thus imposed, which is continually in operation, and every Bank throughout Scotland is obliged to submit its circulation, twice a-week, in Edinburgh, to the inspection of this Argus-eyed tribunal. Satisfactory information that any distant Banking Companies were leaving the safe and moderate walk of commerce, and embarking their capital in precarious speculations, would very soon draw upon them the suspicion of the moneyed interest at large, and certainly put a period to their existence before it could injure the public.

This important species of check is unknown

to the practice of England; nay, it is probably impossible to establish it there, since the metropolis, which is naturally the common point of union, is nearly inaccessible to the notes of private Banking Companies. In stating a circumstance, not perhaps generally known, I may perhaps remove some of the prejudice which has extended towards the Scottish system, as if exposed to the same inconveniencies with that of the sister kingdom.

The Cash-Credits, as they are called, are a most important feature in our Banking system, and, as I believe, entirely peculiar to it.

The nature of the transaction is the simplest possible. A person, either professional, engaged in commerce or manufactures, or otherwise so situated as to render an occasional command of money convenient, obtains a Cash Account to an extent proportioned to his funds, either by pledging his house, shop, or other real property, or by giving the Bank two sufficient sureties to be answerable for the balance, if any, which shall be due to the Company when the Account is closed. The holder of the Cash-Credit is then entitled to draw on the Banker for such sums as he may occasionally need, within its limits. He lodges, on the other hand, with the Bank, such

cash as he may from time to time receive from the returns of his business, or otherwise. Interest is calculated on the advances drawn from the Bank at five per cent, on the customer's deposits at three per cent only, and the account is finally balanced twice a-year. The interest varies according to the general rate of the money-market. I have stated it upon the general and legal rate, which it never does or can exceed.

This very simple accommodation is so general through Scotland, that no undertaking of the slightest magnitude is entered into without sufficient funds being provided in this manner, in order that the expense may be maintained without inconvenience until the profits come round. By means of such credits, the merchant carries on his trade, the agriculturist manages his farm, the professional man discharges the advances necessary in his business, and the landed gentleman maintains his credit, and pays his way, while waiting for the tardy return of his rents. The trustees who conduct public works have recourse to the same accommodation. Scarce any one who is not too rich to need an occasional advance, (a case very rare in Scotland,) or too poor o obtain credit, but is provided and acts upon

some Cash Account of this kind, being a sort of fluctuating system of borrowing and lending. In the former case, the customer borrows of the Bank the advances which he needs, in such sums and at such times as they are necessary; whereas, without such mutual accommodation, the loan must have been borrowed in an entire sum, and paid up at once, though in the former case it included more money than was immediately wanted; and, in the latter, the settlement of the whole demand at once might be untimely and inconvenient.

Supposing the money lodged to exceed the amount of the credit, the customer becomes a creditor to the Banker for the balance due to him, and receives a stated interest for it; while, at the same time, it lies, as in an ordinary deposit account, at his immediate command. This system is, no doubt, liable, like everything earthly, to abuse. But the general prosperity of the country, managed almost entirely on such an arrangement betwixt those who deal in capital, and those who need the use of it, has shown that the partial abuse bears no proportion to the universal advantage. The system has, in its exercise, been, as Shakspeare says of Mercy, "*twice*

blessed." It has prospered both with the giver and the taker; and while the holder of the Account has been enabled to derive wealth from schemes which he could not otherwise have executed, the increasing funds of the Banker, and his additional power of serving the country, and aiding, in similar instances, the progress of general improvement, add to the sum of national riches.

It is also to be observed, that the intimate connexion between the Bankers who grant, and the respectable individuals who hold cash-credits, from L.100 to L.1000 and upwards, tends greatly to the security of the former. These customers, of whom each thriving Bank possesses many, are the chief holders and disposers of notes; and, linked as they are with the Banks who grant the accommodation, by mutual advantage, they have both the interest and credit necessary to quash any unreasonable alarm, and secure the Company against what is called a Run, a circumstance to which Scottish Banks have never been materially exposed, and which is not very consistent with the character of the people.

These undeniable facts afford, so far as Scotland is concerned, a decisive confutation to an argument which has been advanced, for abroga-

ting the issue of small notes. It has been alleged, that such issues being chiefly in the hands of the lower classes, these were agitated easily by rumours, and they became the occasion of the *Runs* above-mentioned, by which the Banking Companies are ruined; as men are crushed to death in a crowd, when those around them are agitated by some cause, very likely a vain one, of panic terror. In itself, it seems, that depriving men of a lucrative branch of their profession, merely because, under certain circumstances, it may become dangerous to their stability, is very like the receipt of Sheepface in the farce, who kills his master's sheep to prevent their dying. But, in Scotland, there exists not the least approach to the disease, which it seems necessary to anticipate in so desperate a manner; for the apprehended *Runs* on Scotch Banks, by the holders of small notes, have never taken place, and, from the assigned reasons, are never likely to do so. But should such an event occur, the interference of the Banks' customers, parties so much interested, would stop such a headlong movement, as a strong and well-ordered police would prevent the fatal agitations of a mob, ere they trod each other to death.

The general principle of the Credits thus

granted, is one which, in a poor country at least, or among poor traders, is highly desirable. It affords the farmer, trader, or country gentleman, a convenient and equitable means of pledging their property for a fund of credit to conduct their undertakings. It resembles in principle, though on a much more equitable and liberal footing, the impignoration of moveables, which affords facilities, without which the small, yet indispensable branches of traffic, could not be carried on. Let us, in due humility, follow out a comparison at which our pride might be justly revolted. In London, and other great cities, the market-women, and persons of that description, are constantly in the practice of raising a small credit, by pledging their little articles of value, whether ornaments or wearing apparel, or the like, on which they maintain their trade till Saturday brings the weekly returns, when the ornaments are redeemed from the pawnbrokers, worn perhaps on the Sunday, and returned to *lavender* (as the phrase goes) on the next Monday. It is now many years since some well-disposed and benevolent persons, becoming aware of this practice, were shocked and scandalized at the extent of the interest exacted from these poor people, and made or

proposed a law for rendering this course of pawnbroking illegal. Sir, the general mass of misery which was about to attend on the well-meant interference of the legislature, was so evident and so alarming, that the measure was either departed from ere it was completed, or repealed immediately, I forget which.

Paullo majora—The principle is in effect the very same on which, to restore public credit, the Bank of England itself is about to advance three millions of money on the security of mercantile commodities.

In the same way, we have in Scotland got into the regular habit of pledging our credit in the manner above described, for the purpose of raising a disposable capital. The advantage obtained by both parties is very equitably balanced; but, were it as iniquitous as that of the most grinding pawnbroker, still habit and manners have rendered it absolutely indispensable to us; and, when a general source of credit is forcibly snatched from a country which has relied on it so long, you literally wrest the crutch from the infirm, because, in your mind, it is not of a handsome fashion.

After all, is it not just that we, the party con-

cerned, should be admitted to have a preponderating vote in this matter? If we are eventually losing by adhering to an old and tried system, we can blame no one, but must suffer for our own obstinacy; but if Scotland is to be reduced to distress by having a system forced upon her which she is unable to maintain or carry on, who is to answer for the evils it may bring upon us?

It is by the profit arising upon issuing their small notes, that the Bankers are enabled to make the beneficial advances which custom has now rendered nearly indispensable to the carrying on business of almost any kind in Scotland. Above all, without that profit, the Bankers could not, as hitherto, continue to allow a rateable interest on money deposited in their hands. Let us take a hasty view of some of the advantages attached to this peculiarity of the system.

The general convenience of the Banker affording interest upon deposits is obvious. It is much more convenient to the individual to receive some interest for his ready cash, than that it should lie idle in his desk; and its being thus put into a productive state, instead of remaining an unproductive capital, must be much more

useful to the country. This needs no commentary.

It has, besides, tended much to the diminution of crime in Scotland. We have forgot the period preceding the Banking system, but it is easily recalled. Look at the old magazines or newspapers, during the time when the currency was chiefly maintained by specie, a ready temptation to the ruffian—the murder of graziers and dealers returning from fairs where they had sold their cattle, was a not infrequent occurrence. Farm-houses of the better class, as well as gentlemen's baronial residences, were defended by bars on the windows, upper and under, like those of a prison; yet these houses were often broken open by daring gangs, to possess themselves of the hoards which the tenant must have then kept beside him against rent-day, and his landlord, for the current expense of his household. At present—*Cantabit vacuus*—the drover or grazier has a Banker's receipt for the price of his cattle, in the old almanack which serves him for a pocket-book, and fears no robbery—while the farm-house, or manor, is secure from the attack of ruffians, who are like to find no metal there more precious than the tongs and poker.

Passing over the tendency of the present sys-

tem to prevent crime, I come to its influence in recommending industry and virtue; and I am confident in stating, that the degree of morality, sobriety, and frugality, which is admitted to exist in Scotland, has been much fostered, though certainly not entirely produced, by the Banks' allowing interest on small sums, which, if the present prohibitory measure passes, they will be no longer in a capacity to afford. Let the effect of such a violent change be considered merely in respect to the lowest order of depositors, who lodge in the Bank from the sum of ten pounds to fifty. The first motive to save, among petty tradesmen, mechanics, farm-servants, domestics, and the like, is the delight of forming a productive capital; and in that class, the habit of saving and of frugality is the foundation of a sober, well-regulated, and useful society. Every judicious farmer scruples to repose perfect reliance in a farm-servant or a labourer, till he knows that he is possessed of a capital of a few pounds in some neighbouring Bank; and when that is once attained, the man becomes tenfold steady and trustworthy. Instances have occurred, to my certain knowledge, before the time of the Saving-Banks, where the master,

to hasten this advantageous step in his dependent's life, would advance a servant of character a little money to complete a deposit, when the man's savings did not amount to ten pounds, which is the least sum received by the Banks. And, by the way, it is not easy to see how these excellent institutions, the Saving-Banks themselves, can be continued in Scotland, if interest is no longer allowed by the general Bank; for we are at too great a distance to avail ourselves of the Public Funds for that purpose.

At any rate, the cessation of payment of interest by the Banks, attendant on the abolishing the issue of small notes, would greatly injure, if not effectually destroy, the formation of those virtuous and frugal habits, which are as essential to the class of society a little richer than that to which the Saving-Banks apply, as to the inferior description to whom these invaluable institutions afford encouragement and protection.

What is a poor hind or shepherd to do with his L.20 or L.30, the laborious earnings of his life, and which he looks to, under God, for keeping his widow and family from the parish, if Bankers can no longer afford him some interest for the

use of it? Where is he to get decent security for his petty capital? He will either be swindled out of it by some rascally attorney, or coaxed to part with it to some needy relation—in either case, never to see it more. It is difficult enough, even at present, for masters, who take an interest in their servants' welfare, to get them to place their money safe in the Bank; if this resource is taken away, where is it to be lodged, with any chance of security? But I think I can guess its fate, friend Journalist. The Banks will be forcing back on the hands of the shepherd or farm-servant his deposit, just at the time when they are unwillingly distressing his master for the balance on his Cash Account, called up before his well-judged, but half-executed improvements, undertaken on the faith of the continued credit, have become productive. The farmer will, in the hour of need and pressure, borrow the petty capital of his servant; he will be unable to repay it; and then, when the distress becomes chin-deep, they may turn beggars together—for uniformity's sake.

If that settling day should ever come, Mr Journalist, when the Bankers, dunned for deposits in their hands, are compelled to be as

rigorous with those who have received advances from them—that awful day, when the hundreds of thousands, nay millions, hitherto divided between the Banks and the Public, must be all called up at once, and accounts between them closed—that settling day will be remembered as long in Scotland as ever was the Mirk Monday!

But what can the Bankers do? Their whole profession must undergo a universal change, that discounts and every species of accommodation may be brought within the narrowest possible limits. At present, the profits divided among the profession, upon perhaps a Million and a Half of small notes, enable them to advance liberally to individuals upon any reasonable security. But if the Banker's occupation is henceforth to consist in stocking himself with a great abundance of gold, and for that purpose engaging in an eternal struggle, not to *preserve* (for that is impossible), but to *restore* an eternally vacillating proportion betwixt the metallic circulation and the wants of the country, such expensive labour ALONE will be likely to prove quite enough for his talents and funds.

The injury done to the Bankers, by depriving

them of such a principal and profitable branch of their profession, is not to be passed over in silence. The English are wont, in other cases, to pay particular heed ere they alter any peculiar state of things, upon the faith of which property has been vested in a fixed and permanent line of employment. But this proposed enactment will go as far as the in-calling of One Million and a Half of notes can do, to destroy the emoluments of the profession. You deprive them of those very notes which travel farthest from home, and which return most slowly; nay, which, from various causes, are subject not to return at all. It is therefore in vain to say that thus the profession is left uninjured, when it is limited to the issue of notes of five pounds and upwards. It might be as reasonably stated in a case of mutilation, that a man was left in the entire and uninjured possession of his hand, the prisoner having only cut off his five fingers.

If, therefore, the proposed measure shall take place, the Bankers' profession must suffer greatly, nay, in its present form, must cease to exist. We cannot, as a nation, afford to be deprived of such an honourable and profitable means of settling our sons in the world. We cannot afford to lose a

resource, which has proved to so many respectable and honourable families a means *ad re-ædificandum antiquam domum*, and which has held out to others a successful mode of elevating themselves, by liberal and useful industry, to the possession of wealth, at once to their own advantage and to that of Scotland. Thus it must needs be, if the proposed measure should pass; and when we come to count the gains we shall then have made, by change from a paper circulation to one in specie, I doubt it will form a notable example of the truth of the proverb, "*That gold may be bought too dear.*"

The Branches established by Banks in remote parts of Scotland must be given up. The parent Banks would vainly exhaust themselves in endeavouring to draw specie from London, and to force it, at whatever expense, into more fertile districts of Scotland, which, of course, would receive it in small quantity, and pay for it at a heavy charge. But as to the remote and sterile regions, it must be with the Highlands and Isles of Scotland, as it is now in some remote districts of Ireland, where scarce any specie exists for the purpose of ordinary currency, and where, for want of that representative for value,

or paper money in its stead, men are driven back to the primitive mode of bartering for everything —the peasant pays his rent in labour, and the fisher gets his wages in furnishings. Misery is universal—credit is banished—and with all the bounties of nature around them, ready to reward industry—the sinews of that industry are hewn asunder, and man starves where Nature has given abundance!

Great Britain would be then somewhat like the image in Belteshazzar's dream. London, its head, might be of fine gold—the fertile provinces of England, like its breast and arms, might be of silver—the southern half of Scotland might acquire some brass or copper—but the northern provinces would be without worth or value, like the legs, which were formed of iron and clay. What force is to compel gold to circulate to these barren extremities of the island, I cannot understand; and, when once forced there, I fear its natural tendency to return to the source from which it is issued will render all efforts to detain it as difficult as the task of the men of Gotham, when they tried to hedge in the cuckoo. Our Bankers, or such as may continue in the profession under the same name, but with very differ-

ent occupation and prospects, will be condemned to the labour of Sisyphus,—eternally employed in rolling a cask of gold up a Highland hill, at the risk of being crushed by it as the influence of gravity prevails, and it comes rolling down upon their heads.

Mrs Primrose, wife to the excellent Vicar of Wakefield, carried on a system of specie, with respect to her family, at a much cheaper rate than that at which Scotland will be able, I fear, to accomplish the same object. "I gave each of them a shilling," says the good man, speaking of his daughters, "though for the honour of the family it must be observed, that they never went without money themselves; as my wife always generously let them have a guinea each to keep their pockets, but with strict injunctions *never to change it.*" Our state is not so favourable, Mr Journalist. We shall be obliged to lay out our guinea every morning of our lives, and to buy back another every evening, at an increasing per centage, to pay the expense of the next day. Moreover, Mrs Primrose was more reasonable (begging pardon for the expression) than our English friends; for, although she enforced the specie system in her own family, we do not hear

that she was ever desirous to intrude it into that of Neighbour Flam orough.

I do not mean to enter into the general question of the difference betwixt the circulation of specie and of paper money. I speak of them relatively, as applicable to the wants and wishes of Scotland only. Yet, I must say, it seems strange, that, under a liberal system, of which freedom of trade is the very soul, we should be loaded with severe restrictions upon our own national choice, instead of being left at liberty to adopt that representative of value, whether in gold or paper, that best suits our own convenience!

To return to the remote Highlands and Islands, Mr Journalist, I need not tell you that they are inhabited by a race of men, to use Dr Currie's phrase, "patient of labour and prodigal of life," for succouring whose individual wants the tenth part of an English coal-heaver's wages would be more than enough, but yet who are human creatures, and cannot live absolutely without food—who are men, and entitled to human compassion—Christians, and entitled to Christian sympathy. But their claims as men and Christians are not all they have to proffer

to administration and to England. The distress to which they are about to be exposed will return upon the state at large in a way very little contemplated.

Those sterile and remote regions have been endowed by Providence with treasures of their own, gained from the stormy deep by their hardy inhabitants. The fisheries in the distant Highlands and Isles, under the management of an enlightened Board, have at length accomplished what was long the warmest wish of British patriots, and have driven the Dutch out of all rivalry in this great branch of national industry. The northern fisheries furnish exports to our colonies and to the Continent, exceeding half a million of money annually, and give employment to a very great number of hardy seamen. The value of such a plentiful source of prosperity, whether considered as supplying our navy or affecting our manufactures, is sufficiently obvious. Now observe, Mr Journalist, how these fisheries are at present conducted.

The branches of those obnoxious establishments, the Scottish Banks, maintained at convenient and centrical points in the north of Scotland, furnish all the remote and numerous

stations where the fisheries are carried on, with small notes and silver for payment of the actual fishers' labour, and in return accept the bills of the fish-curers upon the consignees. This they do at a moderate profit; on which principle alone private industry, and enterprise, and capital, can be made conducive to the public good. The small notes thus circulated in the most distant parts of Scotland, return, indeed, in process of time, to the Banks which issued them; but the course of their return is so slow and circuitous, that the interest accruing on them during their absence amply reimburses the capitalist for the trouble and risk which attend the supply. But let any man who knows the country, or will otherwise endeavour to conceive its poverty and sterility, imagine if he can, the difficulties, expense, and hazard, at which gold must be carried to points where it would never have voluntarily circulated, and from whence, unless detained in some miser's hoard, (a practice which the currency in specie, and disuse of interest on deposits, is likely to revive,) it will return to London with the celerity of a carrier-pigeon.

The manufacture of Kelp, which is carried

on to an immense extent through all the shores and Isles of the Highlands, supporting thousands of men with their families, who must otherwise emigrate or starve, and forming the principal revenue of many Highland proprietors, is nearly, if not exactly, on the same footing with the fisheries; is carried on chiefly by the same medium of circulation; and, like them, supplied by the Bankers with small notes for that purpose, at a reasonable profit to themselves, and with the utmost advantage to the country and its productive resources.

Referring once more to the state of misery in the distant districts of Ireland, I must once more ask, if these things be done in the green tree, what shall be done in the dry tree? If the want of circulation creates poverty and misery in the comparatively fertile country of Ireland, what is to become of those barren deserts, where even at present the hardest labour which the human frame can endure is necessary to procure the most moderate pittance on which human life can be supported? The inhabitants are now healthy, enterprising, laborious; and their industry, producing means of existence to themselves, is of immense profit to their country. If their

means of obtaining the payment of their labour is destroyed, nay even interrupted, the state must either feed idle paupers, who once flourished a hardy and independent race of labourers, or it must be at the expense of transporting the inhabitants to Canada and New South Wales, and leaving totally waste a country, which few but those bound to it by the *Amor patriæ* will desire to reside in, even if the means of procuring subsistence were left unimpaired.

Can anything short of the UTMOST NECESSITY justify an experiment, which threatens to depopulate a part of the empire, and destroy the happiness of thousands? and how can such a necessity exist, without the least symptom of its having been felt or suspected during the last hundred and thirty years, when the present system has been in exercise?

Destroy the existing conduit, and let me again inquire, what forcing-pump, what new-invented patent pressure, were it devised by Bramah himself, is to compel specie into those inaccessible regions? The difficulty of conveying the supplies is augmented by the risk of carrying wealth unguarded through the regions of poverty. I know my countrymen are indifferent

honest, as Hamlet says; yet I would not advise the Genius of the specie system to travel through Scotland, moral as the country is, after the fashion of the fair pilgrim, "rich and rare," in Moore's beautiful melody, just by way of trying the integrity of the inhabitants. Take my word for it, the absence of temptation is no valueless guardian of virtue. If convoys of gold must be sent through lonely mountains, I venture to say, that smugglers will be converted into robbers, and that our romance-writers need not turn back to ancient times for characters like John Gunn, or Rob Roy Macgregor.

This I am sure of, that if the mere authority of a legislative enactment can force a sufficient quantity of gold into those parts, to carry on the fishery and kelp manufactures, it can do a great deal more in favour of the poor but hardy inhabitants. Why should our statesmen be so stinted in their bounty, if it depends merely on legislative enactment? Why not enact, that whereas the dress now worn by his Majesty's loving inhabitants of the Lewis, Uist, Harries, Edderachyles, Cape-Wrath, and Loch Horrible, is scanty, thin, and indecorous, each inhabitant of those districts should in future wear a full-trimmed suit of black silk, or velvet; and, as his only

representative of wealth has been hitherto a crumpled dog's-ear'd piece of Scotch paper, that, in future, he never presume to stir out of his cabin without having, and bearing about his person, the sum of at least five golden sovereigns? The working the stuffs may be a means of relieving the starving weavers of Spitalfields, and the clothes could be conveniently enough forwarded by the escorts who are to protect the chests of specie.

It is not amiss to observe that this violent experiment on our circulation—demanded by no party in Scotland—nay, forced upon us against the consent of all who can render a reason, fraught with such deep ruin if it miscarry, and holding forth no prospect whatever of good even should it prove successful,—can only be carried on at a very considerable expense to England. She must coin for the service of Scotland at least a million and a half of specie—sustain the loss of tear and wear—the chance of accident and plunder—of disappearance by pilfering and hoarding—and be at the expense of supplying this immense quantity of precious metals, not for the benefit, but for the probable ruin, of our devoted country. It is fairly forcing gold down our throats, as little to our ad-

vantage, as when the precious metal was sent in a molten state down the gullet of Cyrus, or Crassus,—I forget which.

No argument has been alleged by the English statesmen for pressing this measure, but that of "uniformity;" by virtue of which principle, a little more extended, they may introduce the Irish Insurrection Law into England to-morrow, and alter the whole national law of Scotland the day after. This argument, I therefore think, proves a little too much, and is, in consequence, no argument at all. In absence of avowed motives, and great darkness as to any imaginable cause, men's minds have entertained very strange and wild fancies, to account for the zeal with which this obnoxious measure is driven forward. Some, who would be thought to see farther into a mill-stone than others, pretend the real reason is to soothe the jealousy of the Bank of England, by preventing the possibility of Scots notes passing in England. It is easy to see how people must be puzzled to discover the semblance of a possible motive, when they have recourse to such figments as this. Can it be conceived that our dearest interests are to be tampered with for such an object?—It is very true, that in the adjacent counties of

England, innkeepers for courtesy, and drovers and others dealing at Scots fairs, on account of convenience, readily accept of Scots notes in payment; but that notes, which nobody is obliged to accept, and which the English Banks refuse to change, can circulate to such an extent as to alarm the Bank of England!—why, sir, I will as soon believe, that, during the old wars, the city of London beat to arms, called out their Trained-bands, and manned their walls, because the Teviotdale Borderers had snapped up a herd of cattle in Northumberland. What becomes of the comparative excellence of the specie circulation to be established in England, if apprehensions are entertained that it cannot stand its ground against the reprobated paper system of Scotland? In God's name, are they afraid people will prefer paper to gold—leaving, like Hamlet's misjudging mother, the literally golden meads of England, to batten on a Scottish moor? It is like the ridiculous story told, that there is a bye-law, or at least a private understanding, that no Scotsman shall be chosen a Director of the Bank of England, lest our countrymen engross the whole management in the course of a few years.—Why, sir, these opinions remind one of the importance attached to the

fated Stone in Westminster Abbey, of which it is said, that the Scots shall reign wheresoever it is carried. But, sir, we must not swallow such flattering compliments. The Bank of England jealous of the partial circulation of a few Scottish notes in the north of England ! ! ! Sir, it would be supposing the blessed sun himself jealous of a gas-light manufactory.

A few general observations on England's late conduct to us, and I will release you.

A very considerable difference may be remarked, within these twenty-five years, in the conduct of the English towards such of the Scotch individuals, as either visit the metropolis as mere birds of passage, or settle there as residents. Times are much changed since the days of Wilkes and Liberty, when the bare suspicion of having come from North of the Tweed, was a cause of hatred, contempt, and obloquy. The good nature and liberality of the English seem now even to have occasioned a re-action in their sentiments towards their neighbours, as if to atone for the national prejudices of their fathers. It becomes every Scotsman to acknowledge explicitly and with gratitude, that whatever tenable claim of merit has been made by his countrymen for more than twenty years back,

whether in politics, arts, arms, professional distinction, or the paths of literature, it has been admitted by the English, not only freely, but with partial favour. The requital of North Britain can be little more than good wishes and sincere kindness towards her southern Sister, and a hospitable welcome to such of her children as are led by curiosity to visit Scotland. To this ought to be added the most grateful acknowledgment.

But though this amicable footing exists between the public of each nation, and such individuals of the other as may come into communication with them, and may God long continue it—yet, I must own, the conduct of England towards Scotland as a kingdom, whose crown was first united to theirs by our giving *them* a King, and whose dearest national rights were surrendered to them by an incorporating Union, has not been of late such as we were entitled to expect.

There has arisen gradually, on the part of England, a desire of engrossing the exclusive management of Scottish affairs, evinced by a number of circumstances, trifling in themselves, but forming a curious chain of proof when assembled together; many of which intimate a

purpose to abate us, like old Lear, of our train, and to accustom us to submit to petty slights and mortifications, too petty perhaps individually to afford subject of serious complaint, but which, while they tend to lower us in our own eyes, seem to lay the foundation for fresh usurpations, of which this meditated measure may be an example.

This difference of treatment, and of estimation, exhibited towards *individuals* of the Scottish nation, and to the *nation itself* as an aggregate, seems at first sight an inconsistency. Does a Scotchman approach London with some pretension to character as a Preacher, a Philosopher, a Poet, an Economist, or an Orator, he finds a welcome and all-hail, which sometimes surprises those whom he has left on the northern side of the Tweed,—little aware, perhaps, of the paragon who had emigrated, till they heard the acclamations attending his reception—Does a gentleman of private fortune take the same route, he finds a ready and voluntary admission into the class of society for which he is fitted by rank and condition—Is the visitor one of the numerous class who wander for the chance

of improving his fortunes, his national character as a Scotsman is supposed to imply the desirable qualities of information, prudence, steadiness, moral and religious feeling, and he obtains even a preference among the Southern employers, who want confidential clerks, land-stewards, head-gardeners, or fit persons to occupy any similar situation, in which the quality of trustworthiness is demanded.

But, on the other hand, if the English statesman has a point of great or lesser consequence to settle with Scotland *as a country*, we find him and his friends at once seized with a jealous, tenacious, wrangling, overbearing humour, and that they not only insist upon conducting the whole matter according to their own will, but are by no means so accessible to the pleas of reason, justice, and humanity, as might be expected from persons in other cases so wise and liberal. We cease at once to be the Northern Athenians, according to the slang of the day—the moral and virtuous people, who are practically and individually esteemed worthy of especial confidence. We have become the caterpillars of the island, instead of its pillars. We

seem to be, in their opinion, once more transmuted into the Scots decribed by Churchill—a sharp sharking race, whose wisdom is cunning, and whose public spirit consists only in an illiberal nationality, inclining us, by every possible exertion of craft, to obtain advantage at the expense of England.

Sir, the Englishman, just and liberal in his ordinary and natural movements, is prone to feverish fits of suspicion, during which he is apt to conceive that those qualities of frankness and generosity render him peculiarly liable to be imposed on. He will always *give* willingly, but he often becomes shabby and litigious in making a bargain. John Bull is in these points exactly similar to his own Hotspur, who, in his dispute with Glendower about the turning of the Trent, exclaims,—

> "I do not care—I'll give thrice so much land
> To any well-deserving friend;
> But in the way of *bargain*, mark ye me,
> I'll cavil on the ninth part of a hair."

The Continent has seen John in both these moods; and not being able to understand the cause of the change, has been apt to suppose

his habits are entirely altered; whereas they see only the same man in two different and extreme humours; in one of which he would willingly relieve a begging vagabond, because the rascal must live; and in the other, will hardly be brought to pay the bill of a poor tradesman, because he is afraid of being over-reached. The ancient and modern mode in which the English travellers did, and do now, pay their ordinary bills on the Continent, are an example of this piebald humour:—Formerly John travelled *en prince*, and even overlooked any species of imposition in innkeepers and *valets-de-place*, as not worth the care of *un homme tel que lui*. Now, he insists upon a preliminary contract—a solemn treaty for his *coutelet* and his *vin de pais*—and, neither for love of money, nor for want of money, but from a feverish apprehension that he may possibly be cheated in a reckoning, goes so miserably to work, that all the world cries "Shame on him!" *

To the better, more natural, more predomina-

* See the amusing work, called "The English in Italy."

ting disposition of our neighbours, I am well disposed to ascribe the many marks of partiality and kindness shown to individual Scotsmen by the English at large—to the latter suspicious, dogged, illiberal determination to have the best of the bargain,—that ungracious humour, which forgets even justice as well as liberal feelings, for fear their goodnature should be imposed upon,—I am compelled to ascribe much of their recent behaviour in international discussions. In such fits of jealousy, men are like those who wear green spectacles. Every object they look upon is tinged with the predominant colour, which exists not in the objects themselves, but in the medium through which they are viewed. Talk to an English statesman of the fairest, the most equitable proposal for the advancement of Scotland as a nation, the most just and indisputable claim on behalf of her public establishments or functionaries, the idea of a *Scotch Job* starts up like an apparition, and frightens all power of equitable decision out of the Minister's head. It is in vain urged, that even the expense of the proposed measure must be discharged by Scotland herself—her Sister is ready with the school-

boy's answer to his Fag,—"All that is *yours* is *ours*, and all *ours* is *our own*." Let the scales of Justice be trimmed with the nicest exactness if you will, but do not let Authority throw the sword into the scale from mere apprehension, lest, after having done her utmost to secure the advantage, she be cheated in the weighing.

In an old Scottish law, to be convicted of being an Egyptian, or gipsy, was equivalent to conviction that the party was a common and notorious thief. And truly the English seem to think, (in public matters, though by no means in private relations,) that being a Scotsman is equivalent to being an embezzler of public money, a jobber, and a peculator. But when they suppose that we are able and willing in all such cases to impose on them, they do injustice alike to their own shrewdness and our integrity.

It arises out of this unhappy state of feeling towards us, more than to any actual desire of giving us offence, that England has of late abated our establishment in many respects, in which our rank as a kingdom of the Union is in some degree compromised.

Last year a bill, deeply affecting the national

interests of Scotland, by altering many most important points in our judicature, was depending in Parliament. Grave objections appeared to the Law Bodies and others in Scotland, to attach to some particular arrangements thereby proposed. They required, not that the bill should be given up, but that it should be suspended at least, till the country in which it was to operate, and which alone was to be hurt or benefited by the enactment, should have time to consider the measure in all its bearings, and to express their national sense upon the subject. Can it be believed that it required the strongest possible remonstrances of the great Law-officer of the Crown with his Majesty's Ministers to obtain a few months' reprieve, as if the demolition, or alteration at least, of our laws, was a matter as little deserving a month's delay, as the execution of some flagrant criminal, justly and fully convicted of the most gross crimes? Take one or two instances more.

Till of late, there was generally an Admiral on this station; but since the gallant Sir John Beresford struck his flag, that mark of distinction seems to have been laid aside, probably for ever

Our army establishment is dwindled to a shadow, scarce worthy of being placed under the command of the distinguished Major-General who now holds it, although he only commands the forces, instead of being, as was commonly the case till of late years, a Commander-in-Chief, with a Lieutenant-General, and two Major-Generals, under him. I need hardly say, that I would wish this abatement of our dignity, in some measure at least, amended, not by the *removal*, but by the *promotion* of the gallant General.

It may be replied that we are complimented in being thus left to ourselves—that we are a moral people, therefore do not require a military force to keep the peace—a loyal people, therefore do not need an armed force to put down tumult—that we have our own brave yeomanry, who, at no distant period, showed themselves capable of affording their country protection in the most desirable manner, anticipating mischief by their promptitude, and preventing evil before it had come to a head. But have these yeomen, who twice in a few months abandoned their homes at a few hours' warning, marched many miles, and by their demon-

stration of readiness, put an end to a very serious affair, and what might have been a very disastrous one—have they, I say, since that period, received the countenance due for their good will from the Government, and which should have been rendered alike in policy and justice? I am informed they have not. I am informed that they are, at least particular troops of them are, refused the small allowance made on the days when they are called out for exercise, and must either discharge the duty of training, always sufficiently expensive and inconvenient, entirely at their own expense, as some of them have done for two years, or suffer their discipline to fall into decay. Can it be that our English brethren have taken a notion that sabres are only curved broadswords, and that these are unhappy weapons in the hands of Scotsmen? I acquit them of such meanness. But they despise us a little too much.

Sir, Discontent is the child of Distress, and Distress is the daughter of ill-timed Experiment. Should we again see disorderly associations formed, and threats of open violence held out—should such a winter and spring as 1821

return, it may not, in the event of the measure with which Scotland is threatened being inflicted on us, be quite so easy, as at that period, to assemble on a given spot, within a day or two, twelve or fourteen hundred yeomen to support the handful of military left within Scotland. That general spirit of loyalty will, I am sure, be the same. But when proprietors are embarrassed, tenants distressed, commercial people in doubt and danger, men lose at once their zeal, and the means for serving the public. This is not unworthy of serious consideration.

I mentioned in my former Letter another circumstance, of which I think my country has reason to complain. It is that sort of absolute and complete state of tutelage to which England seems disposed to reduce her sister country, subjecting her in all her relations to the despotic authority of English Boards, which exercise an exclusive jurisdiction in Scottish affairs, without regard to her local peculiarities, and with something like contempt of her claims as a country united with England, but which certainly has never resigned the right of being at least consulted in her own concerns. I men-

tioned the restrictions, and, as I conceive them, degrading incapacities, inflicted on our Revenue Boards,—I might extend the same observations to the regulations in the Stamp-Office ;—and I remember, when these were in progress, that it was said in good society, that the definitive instructions (verbal, I believe) communicated to the able officer upon whom the examination and adjustment of the alterations in that department devolved, and who was sent down hither on purpose, were to this purport :—" That he was to proceed in Scotland without more regard to the particular independence of that country than he would feel in Yorkshire." These, however, were matters interesting the general revenue—the servants of the Crown had a right to regulate them as they pleased. But if they were regulated with a purposed and obvious intention to lessen the consequence of Scotland, throw implied discredit on her natives, as men unworthy of trust, and hold her recollections and her feelings at nought, they make links in a chain which seems ready to be wound around us whenever our patience will permit.

This, sir, is an unwise, nay, an unsafe pro-

ceeding. An old chain, long worn, forms a callosity on the limb which bears it, and is endured, with whatever inconvenience, as a thing of custom. It is not so with restraints newly imposed. These fret—gall—gangrene—the iron enters first into the flesh, and then into the soul. I speak out what more prudent men would keep silent. I may lose friends by doing so; but he who is like Malachi Malagrowther, old and unfortunate, has not many to lose, and risks little in telling truths before, when men of rising ambition and budding hopes would leave them to be discovered by the event. The old tree and the withered leaf are easily parted.

But, besides such matters of punctilio, Mr Journalist, there has been in England a gradual and progressive system of assuming the management of affairs entirely and exclusively proper to Scotland, as if we were totally unworthy of having the management of our own concerns. All must centre in London. We could not have a Caledonian Canal, but the Commissioners must be Englishmen, and meet in London;—a most useful canal they would have made of it, had not the lucky introduction of steam-boats—*—Deus ex machina*—come just in time to re-

deem them from having made the most expensive and most useless undertaking of the kind ever heard of since Noah floated his ark! We could not be intrusted with the charge of erecting our own kirks, (churches in the Highlands,) or of making our roads and bridges in the same wild districts, but these labours must be conducted under the tender care of men who knew nothing of our country, its wants and its capabilities, but who, nevertheless, sitting in their office in London, were to decide, without appeal, upon the conduct of the roads in Lochaber!—Good Heaven, sir! to what are we fallen?—or rather, what are we esteemed by the English? Wretched drivellers, incapable of understanding our own affairs; or greedy peculators, unfit to be trusted? On what ground are we considered either as the one or the other?

But I may perhaps be answered, that these operations are carried on by grants of public money; and that, therefore, the English—undoubtedly the only disinterested and public-spirited and trust-worthy persons in the universe—must be empowered exclusively to look after its application. Public money forsooth!!!

I should like to know whose pocket it comes out of. Scotland, I have always heard, contributes FOUR MILLIONS to the public revenue. I should like to know, before we are twitted with grants of public money, how much of that income is dedicated to Scottish purposes—how much applied to the general uses of the empire—and if the balance should be found to a great amount on the side of Scotland, as I suspect it will, I should like still farther to know how the English are entitled to assume the direction and disposal of any pittance which may be permitted, out of the produce of our own burthens, to revert to the peculiar use of the nation from which it has been derived? If England was giving us alms, she would have a right to look after the administration of them, lest they should be misapplied or embezzled. If she is only consenting to afford us a small share of the revenue derived from our own kingdom, we have some title, methinks, to be consulted in the management, nay, intrusted with it.

This assumption of uncalled-for guardianship accelerates the circulation a little, and inclines one to say to his countrymen,

> Our blood has been too cold and temperate,
> Unapt to stir at such indignities——.

You could not keep a decent servant in your family, sir, far more a partner, if you obviously treated such a person as a man in whom no confidence was to be reposed even in his own department. A ludicrous mode has been lately fallen upon of keeping up in appearance, and, as far as the almanack goes, our old list of Scottish offices. First, they deprive a high office of state of all its emoluments, and then they unite it with one to which some emolument is still permitted to attach; so they are doubled, like slices of bread and butter laid face to face—English fashion, as schoolboys used to call it—with this great difference that only one slice is buttered—an improvement which would scarce suit John Bull's taste. The office of Lord Clerk Register is thus united with that of the Keeper of the Signet, with the emolument attached to the last alone.* It was at another time proposed, on

* The Right Hon. Lord Clerk Register has deserved what he will think better than either office or salary—the solemn thanks of his countrymen, for the frank and decided tone which he has taken in the Currency Question.

the same liberal footing, to unite the office of the Lord Justice-General, (salary suppressed,) though I believe the bill did not pass.

This is really, sir, putting the few offices we have left to indicate our ancient independence, on a more ridiculous footing than the Dukes of Normandy and Acquitaine, which imaginary vassals of England used to revive at every coronation, and were each of them allowed a whole man to represent them ;* while poor Scotland's high officers of state resemble Coleman's

Two single gentlemen roll'd into one ;

or rather remind us of the starvling shifts of a strolling company, in which two parts are performed by one actor, and for one salary. There may be an emblem in the thing though. It is perhaps designed to represent an union between two kingdoms, or an incorporating union, in which one enjoys the full advantages and supereminent authority, and the other remains,

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* The good taste which directed the last august ceremony, dispensed with the appearance of these phantoms.

Magni nominis umbra.

I do not suppose this farce will be continued long. We shall in due time, I suppose, be put all under English control, deprived even of the few native dignitaries and office-holders we have left, and accommodated with a set of English superintendants in every department. It will be upon the very reasoning of Goneril before alluded to :—

> " What need you five-and-twenty, ten, or five,
> To follow in a house where twice so many
> Have a command to tend you ?—"

Patrick, will you play Regan, and echo,

"——What need *one* ?"

Take care, my good fellow ! for you will scarce get a great share in our spoils, and will be shortly incapacitated, and put under a statute of lunacy, as well as ourselves.

But what will England take by this engrossing spirit ? Not the miserable candle-ends and cheese-parings—these, I dare say, she scorns. The mere pleasure, then, of absolute authority —the gratification of humour exacted by a pee-

vish and petted child, who will not be contented till he has the toy in his own hand, though he break it the next moment. Is any real power derived by centering the immediate and direct control of everything in London? Far from it. On the contrary, that great metropolis is already a head too bulky for the empire, and, should it take a vertigo, the limbs would be unable to support it. The misfortune of France, during the Revolution, in all its phases, was, that no part of the kingdom could think for itself or act for itself; all were from habit necessitated to look up to Paris. Whoever was uppermost there, and the worst party is apt to prevail in a corrupted metropolis, were, without possibility of effectual contradiction, the uncontrolled and despotic rulers of France—*absit omen!*

Again, would the British empire become stronger, were it possible to annul and dissolve all the distinctions and peculiarities, which, flowing out of circumstances, historical events, and difference of customs and climates, make its relative parts still, in some respects, three separate nations, though intimately incorporated into one empire?

Every rope-maker knows, sir, that three distinct *strands*, as they are called, incorporated and twisted together, will make a cable ten times stronger than the same quantity of hemp, however artificially combined into a single twist of cord. The reason is obvious to the meanest capacity. If one of the strands happen to fail a little, there is a threefold chance that no imperfection will occur in the others at the same place, so that the infirm strand may give way a little, yet the whole cord remain trustworthy. If the single twist fail at any point, all is over. For God's sake, sir, let us remain as Nature made us, Englishmen, Irishmen, and Scotchmen, with something like the impress of our several countries upon each! We would not become better subjects, or more valuable members of the common empire, if we all resembled each other like so many smooth shillings. Let us love and cherish each other's virtues—bear with each other's failings—be tender to each other's prejudices—be scrupulously regardful of each other's rights. Lastly, let us borrow each other's improvements, but never before they are needed and demanded. The degree of national diversity between dif-

ferent countries, is but an instance of that general variety which Nature seems to have adopted as a principle through all her works, as anxious, apparently, to avoid, as modern statesmen to enforce, anything like an approach to absolute "uniformity."

It may be said that some of the grievances I have complained of are mere trifles. I grant they are,—excepting in the feelings and intentions towards Scotland which they indicate. But, according to Bacon's maxim, you will see how the wind sits by flinging up a feather, which you cannot discern by throwing up a stone. Affronts are almost always more offensive than injuries, although they seldom are in themselves more than trifles. The omitting to discharge a gun or two in a salute, the raising or striking of a banner or sail, have been the source of bloody wars. England lost America about a few miserable chests of tea—she endangered India for the clipping of a mustachio.

But let us humble ourselves to our situation, and confine our remonstrances to the immediate grievance, which surely cannot be termed punctilious or unimportant.

To England we say, therefore, Let us appeal from Philip intoxicated to Philip sober. Leave out exasperating circumstances on either side, and examine our remonstrance, not in the jealous feeling of which we have reason to complain, but in the gentlemanlike and liberal tone so much more becoming a great nation, and according, I must say, so much better with your natural disposition. As you mean that a value should be set upon your free public voice by your legislators, allow the natural influence of that of Scotland, in a matter exclusively relating to her own affairs, but so intimately connected with her welfare, that nothing since the year 1748 has occurred of such importance. The precedent is a bad one at any rate; the consequences will be much worse.

> Prevent—resist it. Let it not be so,
> Lest children's children call against you—*woe!*

Our Scottish Nobles and Gentlemen, I cannot better exhort to resist the proposal at every stage, by the most continued and unremitting opposition—to be discouraged by nothing—to hope to the last—to combat to the last—than by using once more the words of the patriotic

Belhaven :—" Man's extremity is God's opportunity. He is a present help in time of need ; a deliverer, and that right early. Some unforeseen providence will fall out, that may cast the balance. Some Joseph will say, Why do you strive together when you are brethren ? Some Judah or other will say, Let not our hand be upon him, he is our brother. Let us up then, and be doing ; and let our noble patriots behave themselves like men, and we know not how soon a blessing may come."

I am, Mr Journalist,

Yours,

MALACHI MALAGROWTHER.

EDINBURGH :
Printed by James Ballantyne and Co.

A

THIRD LETTER

TO THE

Editor of the Edinburgh Weekly Journal,

FROM

MALACHI MALAGROWTHER, Esq.

ON THE

PROPOSED CHANGE OF CURRENCY,

AND

OTHER LATE ALTERATIONS,

AS THEY AFFECT, OR ARE INTENDED TO AFFECT,

THE

KINGDOM OF SCOTLAND.

Macduff. Stands Scotland where it did?
Rosse. Alas! poor country.

SECOND EDITION.

EDINBURGH:

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1826.

LETTER THIRD.

ON THE

PROPOSED CHANGE OF CURRENCY.

TO THE EDITOR

OF THE EDINBURGH WEEKLY JOURNAL.

DEAR MR JOURNALIST,

THIS third set of Mr Baxter's last words is rather a trial on your patience, considering how much *Balaam* (speaking technically) I have edged out of your valuable paper; how I have trodden on the toes of your Domestic Intelligence, and pushed up to the wall even your Political Debates, until you have almost lost your honoured title of the EDINBURGH JOURNAL in that of MALACHI'S CHRONICLE.

I returned from the Meeting of Inhabitants on Friday last, sir, convoked for considering

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this question, with much feeling of gratification from what I saw and heard; but still a little disappointed that no one appeared on the opposite side, excepting one gentleman, ("self pulling," as Captain Crowe says, "against the whole ship's crew,") whose eloquence used no other argument than by recommending implicit deference to the wisdom of Ministers. I am a pretty stanch Tory myself, but not up to this point of humility. I never have nor will bargain for an implicit surrender of my private judgement in a national question of this sort. I am but an unit, but of units the whole sum of society is composed. On the present question, had I been the born servant of Ministers, I would have used to them the words of Cornwall's dependant, when he interferes to prevent his master from treading out Gloster's eyes—

> I have served you ever since I have been a child,
> But better service have I never done you,
> Than now to bid you *Hold.*

Or in a yet more spirited passage in the same drama—

> ——— Be Kent unmannerly,
> When Lear is mad.

To return to the business. By the unanimity of the meeting, I lost an opportunity of making a very smart extempore speech, which I had sate up half the night for the purpose of composing. To have so much eloquence die within me unuttered, excited feelings like those of Sancho, when, in the deserts of the Sierra Morena, his good things rotted in his gizzard. To console me, however, I found, on my return to my lodgings in the Lawn-market, my own lucubrations blazing in the goodly form of two responsible pamphlets. I seized on them as if I had never seen them before, and recited the more animated passages aloud, striding up and down a room, in which, from its dimensions, striding is not very convenient. I ended with reading aloud the motto, which I designed in the pride of my heart to prefix to my immortal twins, when, side by side, under the same comely cover, they shall travel down to posterity as a crown octavo ;—

He set a bugle to his mouth,
And blew a blast sae shrill,
The trees in greenwood shook thereat,
Sae loud rang ilka hill.

But while I mentally claimed for myself the honour of alarming Scotland, from Coldstream Bridge to the far Highlands, I was giving, by the noise I made, far greater alarm to my neighbour, Christopher Chrysal, who keeps the small hardware and miscellaneous shop under the turnpike stair. Now, sir, you must know that Chrysal deals occasionally in broken tea-spoons and stray sugar-tongs, dismantled lockets and necklaces, (which have passed with more or less formality from ladies to their waiting-maids,) seals, out of which valets have knocked the stones that the setting might be rendered available, and such other small gear,—nay, I once saw an old silver coffee-pot in his possession. On the score, therefore, of being connected with the precious metals by his calling, neighbour Chrysal has set himself up for a patron and protector of Gold and Silver, and a stout contender for Bullion currency. With a half-crown in one hand, and a twenty-shilling note in the other, he will spout like a player over the two pictures in Hamlet, and it is great to hear him address them alternately—

THIS is the thing itself—Off, off, ye lendings!

But with all the contempt he expressed for the paper substitute, I have always seen that it steals quietly back to the solitude of his little pocket-book. Indeed, the barber says Mr Chrysal has other reasons for wishing a change of currency, or a currency of change, in respect of his own acceptances not being in these sharp times quite so locomotive as usual—They love the desk of the holder, sir, better than the counter of his great Neighbours in Bank Street. You understand me—but I hate scandal.

I had no sooner apologized to Christopher for the disturbance I had occasioned, (which I did with some shame of countenance,) than I politely offered him a copy of my pamphlet. He thanked me, but added with a grin, (for you know no man is a prophet in his own common stair,) that he had nothing particular to wrap up at present: "But in troth, Mr Malachi," said he, "I looked over your pamphlet in the reading-room, and I must tell you as a friend, you have just made a fool of yourself, Mr Malachi." "A fool!" replied I; "when, how, and in what manner?" "Ye have set out, sir," replied he,—for Chrysal is a kind of orator, and

speaks as scholarly and wisely as his neighbours, —" with assuming the principle, which you should have proved.—You say, that in consequence of restoring the healthful currency of the precious metals, instead of keeping those ragged scraps of paper, Scotland will experience a want of the circulating medium, by which deprivation her industry will be cramped, her manufactures depressed, her fisheries destroyed, and so forth. But you know nothing of the nature of the precious metals, and how should you?"

" Why, not by dealing in old thimbles, broken buckles, and children's whistles, certainly, or stolen *sprecherie*," said I; " but speak out, man, wherein do I evince ignorance of the nature of the precious metals—tell me that?"

" Why, Mr Malachi Malagrowther," said my friend, in wrath, " I pronounce you ignorant of the most ordinary principles of Political Economy. In your unadvised tract there, you have shown yourself as irritable as Balaam, and as obstinate as his ass. You are making yourself and other people fidgetty about the want of gold, to supply the place of that snuff-paper of yours; now in this I repeat you are ignorant."

Here he raised his voice, as if speaking *ex cathedra*. "Gold," continued he, "is a commodity itself, though it be also the representative of other commodities; just as a Banker is a man, though his business is to deal in money. Gold, therefore, like all other commodities, will flow to the place where there is a demand for it. It will be found, assure yourself, wherever it is most wanted; just as, if you dig a well, water will percolate into it from all the neighbourhood. Twenty years ago you could not have seen a cigar in Edinburgh. Gillespie, the greatest snuff-merchant of his day, would not have known what you wanted had you asked him for one; and now the shop-windows of the dealers are full of real Havannahs,—and why?—because you see every writer's apprentice with a cigar in his mouth. It is the demand that makes the supply, and so it will be with the gold. The balance of free-trade, whether the commodity be gold or grain, will go where the one finds mouths to be fed, the other a currency to be supported. What sent specie into the lagoons of Venice, and into the swamps of Holland formerly, as well as into the emporium of London now, while

large cities, situated under a finer climate, and in a more fertile country, were and are comparatively destitute of the precious metals?—what, save the tendency of commerce, like water, to find its own just level, and to send all the commodities subject to its influence, the precious metals included, to the points where they are most wanted ?"

Now, Mr Journalist, I am a man of a quick temper, but somewhat of a slow wit; and though it struck me that there was something fallacious in this argument, yet, bolstered out as it was by his favourite metaphor, it sounded so plausible, that the right answer did not at once occur to me. Chrysal went on in triumph: "You speak of your Fisheries and Kelp manufacture, and such like, and seem to dread that they will be all ruined for want of a circulating medium. But, sir, one of two things must happen. Either, FIRST, assuming that these branches of industry are beneficial to the individuals, and make advantageous returns; as such they will have the usual power of attracting towards them the specie necessary to carry them on, and of course no change whatever will take place. Or, SE-

CONDLY, these fisheries, and so forth, produce no adequate return for the labour expended on them, and are therefore a compulsory species of manufacture, like those establishments instituted at the direct expense, and under the immediate control of government, which we see fading in despotic countries, or only deriving a sickly existence by the expenditure of the Sovereign, and not by their own natural vigour. In that latter case," he pursued, " those fishing and kelping operations are not productive—are useless to the country—and ought not to be carried on an hour longer; they only occasion the mis-employment of so much capital, the loss of so much labour. Leave your kelp-rocks to the undisturbed possession of seals and mermaids, if there be any—you will buy *barilla* cheaper in South America. Send your Highland fishers to America and Botany Bay, where they will find plenty of food, and let them leave their present sterile residence in the utter and undisturbed solitude for which Nature designed it. Do not think you do any hardship in obeying the universal law of nature, which leads wants and supplies to draw to their just and

proper level, and equalize each other; which attracts gold to those spots, and those only, where it can be profitably employed, and induces man to transport himself from the realms of famine to those happier regions, where labour is light and subsistence plentiful.

"Lastly," said the unconscionable Christopher, "sweep out of your head, Mr Malachi, all that absurd rubbish of ancient tradition and history about national privileges—you might as well be angry with the Provost who pulled down the Lucken-booths. They do not belong to this day, in which so many changes have taken place, and so many more are to be expected. We look for what is USEFUL, sir, and to what is useful only; and our march towards utility is not to be interrupted by reference to antiquated treaties, or obsolete prejudices. So, while you sit flourishing your claymore, Mr Malachi, on the top of your Articles of Union, very like the figure of a Highlander on the sign of a whisky-office, take care you are not served as the giant who built his castle on the marvellous bean-stalk—Truth comes like the old woman with the 'cuttie-axe'—it costs but a swashing blow or two,

and down comes Malachi and his whole system." —So saying, *exit* Christopher, *ovans*.

There was such a boldness and plausibility about the fellow, and such a confidence in the arguments which he expressed so fluently, that I felt a temporary confusion of ideas, and was obliged to throw myself into what has been, for many generations, the considering position of the Malagrowther family: that is to say, I flung myself back in our hereditary easy-chair, fixing my eyes on the roof, but keeping them, at the same time, half shut; having my hands folded, and twirling my thumbs slowly around each other, a motion highly useful in unravelling and evolving the somewhat tangled thread of the ideas. Thus seated, in something short of two hours I succeeded in clearing out the ravelled skean, which evolved itself in as orderly a coil before me as if it had been touched by the rod of Prince Percinet, in the fairy tale, and I am about to communicate the result. I must needs own that my discoveries went so far as was like to have involved you in an examination of the general principles on which the doctrine of currency depends. But since, *entre nous*, we might

get a little beyond our depth on the subject, I have restrained myself within the limits of the question, as practically applicable to Scotland.

My present business is to inquire how this meditated change of circulation, supposing it forcibly imposed on us, is to be accomplished—by what magic art, in other words, our paper is to be changed into gold, without some great national distress, nay, convulsion, *in transitu?*

My neighbour deems anxiety in this case quite ridiculous. Gold, he says, is a commodity, and whenever its presence becomes necessary, there it will appear. Guineas, according to Christopher, are like the fairy goblets in Parnell's tale,

> ——that with a wish come nigh,
> And with a wish retire.

I don't know how it may be in national necessities, but I have some reason to think that friend Chrysal has not, any more than I have myself, found the maxim true, in so far as concerns our personal experience. I heartily wish, indeed, this comfortable doctrine extended to individual cases, and that the greater occasion a poor devil had for money, the more certain he should be of his wants being supplied by the

arrival of that obliging article, which is said to come wherever it is wanted. Since Fortunatus's time, the contrary has in general proved to be the case, and I cannot deny it would be very convenient to us to have his system restored.

And yet there is some truth in what my neighbour says; for if a man is indispensably obliged to have a sum of money, why he must make every effort to raise it. Supposing I was in business, and threatened with insolvency, I might find myself under the necessity of getting cash by selling property at an under rate, or procuring loans at usurious interest on what I retained, and in that ruinous manner I might raise money, because still nearer ruin stared me in the face if I did not. The question is, how long supplies so obtained could continue?—Not an instant longer than I have articles to sell or to pawn. After this, my usual wants would be as pressing, but I might wish my heart out ere I found a groat to relieve them—No fairy will leave a silver penny in my shoe. Now I fear it must be by some such violent sacrifices, as those in the case supposed, that Scotland must purchase

and maintain her metallic currency, if her present substitute is debarred.

Mr Chrysal's proposition should not then run, that gold will come when it is most needed, but should have been expressed thus,—that in countries where the presence of gold is rendered indispensable, it must be obtained, whatever price is given for it, while the means of paying such a price remain.

He amuses himself, indeed, and puzzles his hearers, by affirming that gold is like water, and, like water when poured out, it will find its level.—A metaphor is no argument in any instance; but I think I can contrive in the present to turn my friend's own water-engine against him. Scotland, sir, is not *beneath* the level to which gold flows naturally. She is *above* that level, and she may perish for want of it ere she sees a guinea, without she, or the State for her, be at the perpetual expense of maintaining, by constant expenditure of a large per centage, that metallic currency which has a natural tendency to escape from a poor country back to a rich one. Just so, a man might die of thirst on the top of a Scottish hill, though a river

or a lake lay at the base of it. Therefore, if we insist upon the favourite comparison of gold to water, we must conceive the possibility of the golden Pactolus flowing up Glencroe in an opposite direction to the natural element, which trots down from the celebrated *Rest and be Thankful.*

If my friend would consult the clerk of the Water Company, at his office in the Royal Exchange, he would explain the matter at once. "Let me have," says Mr Chrysal, "a pipe of water to my house."—"Certainly, sir; it will cost you forty shillings yearly."—"The devil it will! Why, surely the Lawnmarket is lower than the Reservoir on the Castlehill? It is the nature of water to come to a level. What title have you to charge me money, when the element is only obeying the laws of Nature, and descending to its level?"—"Very true, sir," replies the clerk; "but then it was no law of Nature brought it to the reservoir, at a height which was necessary to enable us to disperse the supply over the city. On the contrary, it was an exertion of Art in despite of Nature. It was forced hither by much labour and ingenuity. Lakes were formed, aqueducts constructed,

rivers dammed up, pipes laid for many miles. Without immense expense, the water could never have been brought here; and without your paying a rateable charge, you cannot have the benefit of it."

This is exactly the case with the gold currency. It must have a natural tendency to centre in London, for the exchange is heavily against Scotland. We have the whole public income, four millions a-year, to remit thither. Independent of that large and copious drain, we have occasion to send to England the rents of non-resident proprietors, and a thousand other payments to make to London, which must be done in specie, or by bills payable in the metropolis. So that the circulation moves thither of free will, like a horse led by the bridle; while Scotland's attempts to detain it, are like those of a wild Highlandman catching his pony by the tail. Or, to take a very old comparison, London is like Aboulcasem's well, full of gold, gems, and everything valuable. The rich contents are drawn from it by operations resembling those of a forcing-pump, which compel small portions into the extreme corners of the kingdom; but

all these golden streamlets, when left to themselves, trickle back to the main reservoir.

My friend's idea of a voluntary, unsolicited, and unbought supply of metallic currency, is like the reasoning of old Merrythought, when, with only a shilling in his pocket, he expresses a resolution to continue a jovial course of life. "But how wilt thou come by the means, Charles?" says his wife. "How?" replied the gay old gentleman, in a full reliance on his resources,—"How?—Why, how have I done hitherto, these forty years?—I never came into my dining-room, but, at eleven and six o'clock, I found excellent meat and drink on the table. My clothes were never worn out, but next morning a tailor brought me a new suit, and, without question, it will be so ever—use makes perfectness." The dramatist has rescued his jolly epicurean out of the scrape before his slender stock was exhausted; but in what mode Scotland is to be relieved from the expense about to be imposed on a country, where industry and skill can but play a saving game, at best, against national disadvantages, is not so easy to imagine.

What may be the expense of purchasing in the outset, and maintaining in constant supply, a million and a half of gold, I cannot pretend to calculate, but something may be guessed from the following items :—To begin, like Mrs Glass's recipe for dressing a hare, *first catch your hare* —first buy your gold at whatever sacrifice of loss of exchange ; then add to the price a reasonable profit to those who are to advance the purchase-money—next insure your specie against water-thieves and land-thieves, peril of winds, waves, and rocks, from the Mint to the wharf, from the wharf to Leith, from Leith to Edinburgh, from Edinburgh to the most remote parts of Scotland, unprotected by police of any kind—the insurances can be no trifle ; besides, that an accident or two, like the loss of the Delight smack the other day, with L.4000 of specie on board, will make a tolerably heavy addition to other bills of charges, as the expense of carriages, guards, and so forth—then add the items together, and compute the dead loss of interest upon the whole sum. The whole may be moderately calculated at an expense of more than *five per cent*, a charge which must ultimate-

ly be laid on the Scottish manufactures, agricultural operations, fisheries, and other public and private undertakings; many of which are not at present returning twelve or fifteen per cent of profit at the uttermost.

My friend Chrysal's reasoning rested on this great mistake, that he confounds the necessity of our procuring gold under the operation of the new system, and the supplies which that necessity must necessarily oblige us to purchase, with a voluntary determination of unbought treasures running up-hill to find their level at Stornoway, Tongue, or Oban. He imagines that the specie, for which we have to pay a heavy consideration, will come to our service voluntarily. I answer, in one word, the gold will come, if purchased, AND NOT OTHERWISE. The expense attending the operation will be just a tax upon the parties who pay it, with this difference, that it makes no addition to the public revenue. Every sovereign we get, which passes of course for twenty shillings, will, before it gets to the north of Scotland, have cost *one*-and-twenty. Illustrations of so plain a proposition are endless. Suppose Government had imposed a stamp-duty upon any commodity, and, whilst with some other cowl'd

neighbours I am canvassing its effects, I ask, as a party concerned,—"But how are we to come by these stamps? The branch of commerce to which they apply is not able to bear the impost." Up rises my friend Chrysal in reply—"Stamped paper," says he, "is a commodity; and, like all commodities, flows to the point where there is a demand." True—but, unhappily, when the stamp-paper is in bodily presence, I cannot have a slip of it till I pay the impost; and if my trade does not enable me to do so, I must give it up, or be a ruined man!

The same consequences must attend the increased expense of the circulation under the proposed measure, as would apply to a tax in any other form. The manufactures, public works, and private speculations, which are making a return, enabling them to defray the charge attending the more expensive medium of circulation, will struggle on as they can, with less profit by the direct amount, and more disadvantages arising from the means of circulation being at the mercy of winds and waves, and subjected to long and perilous transportation before the gold reaches them. Those, on the other hand, whose trade makes more precarious re-

turns, will be no longer able to wait for better times. They will give up all, and the consequences to Scotland—and England also—omitting all allusion to individual distress, will be a black history.

I have already said, that the Fisheries and Kelp shores, and improvements on the more bleak and distant districts, will probably be the first sufferers. And my neighbour replies, with a sweeping argument, that enterprises which cannot support themselves by their own exertions, and natural returns of profit, ought not to have the encouragement of Government—that they are only vain schemes, in which labour and expense are wasted without their bringing the necessary return, and that the force employed in keeping up these barren and fruitless undertakings should, as soon as possible, be directed into a more productive channel. If I urge, that, although these undertakings may not, as yet, have made the full returns expected, yet they support many people, natives of a country otherwise too poor to furnish the means of livelihood to its inhabitants,—why, the answer is equally ready. Let the High-

lander emigrate, or be transported to Botany Bay; and supply his place with sheep,—goats, —anything,—or nothing at all.

I do not mean to deny, sir, that there is general truth in the maxims, which recommend that a free trade be left to sustain itself by its own exertions; deprecating the system of forcing commerce when its natural efforts were not successful, and warning against planting colonies in unhealthy or barren spots, where the colonists must perish, or exist in a state of miserable and precarious dependence on the bounties of the mother country. To these political truths I subscribe cheerfully.—But an old civilian used to tell me, *fraus latet in generalibus;* and no general maxim can be safely, wisely, or justly applied, until it has been carefully considered how far it is controlled by the peculiar circumstances of the case. The precepts of Religion herself, as expressed in the holiest texts of Scripture, have been wrested into sophistry—the soundest political principles may, by the frigid subtleties of metaphysical moonshine, be extended so as, in appearance, to authorise aggressions on national rights, as well

as on the dictates of sound wisdom and humanity.

I have more replies than one to my neighbour's doctrines of Political Economy, (though true in the abstract,) when I consider them as applicable to the case in question.

In the *first* place, I deny that the Scottish Fisheries are in the predicament to which the maxim, quoted triumphantly by my friend Chrysal, applies. I say that they are already supporting themselves, and producing a moderate but certain profit; only that this profit is as yet *so* moderate, that it certainly will not bear an impost of probably five or six per cent upon the gross capital employed; and that, therefore, it is the highest impolicy to smother, by such a burthen, important national undertakings, which are, without such new imposition, in a condition to maintain themselves. It would be breaking the reed ere it had attained its strength, and quenching the smoking flax just when about to burst into flame.

Secondly, Admitting, from the great poverty of the inhabitants, and other discouraging circumstances, that the Scottish fisheries have for

a long time required the support of Government, I still aver, that the expense attending such support has been well and wisely disposed of,—just as a landlord would act not generously only, but most prudently, in giving favourable terms of settlement to a tenant, who was to improve his farm largely. An exotic shrub, when first planted, must be watered and cared for—a child requires tenderness and indulgence till he has got through the sickly and helpless years of infancy. A fishery or manufacture, established in a wild country, and among a population of indolent habits, unaccustomed to industry, and to the enjoyment of the profits derived from it, will at the outset require assistance from the State, till old habits are surmounted, and difficulties overcome. There is something in the nature of the people, who have been long depressed by poverty, resembling the qualities of their own peat-earth. Left alone, it is the most anti-septic and inert of Nature's productions; but when, according to the process of compost invented by the late ingenious Lord Meadowbank, this *caput mortuum* is intermixed with a small portion of active manure, it heats,

ferments, changes its sluggish nature, and fertilizes the whole country in the vicinity. No agriculturist regards the expense of the proportion of manure necessary to commence this vivifying operation; and neither will any wise government regret the outlay of sums employed in exciting the industry, improving the comforts, and amending the condition, of its inhabitants. In the present case, Government has done this duty amply—The tree has taken root, the child is rising fast to youth and manhood—the establishments of the fisheries are in full progress to triumphant success. The question is not, if you are yet to continue your encouragement—nor whether the public is to save some expense by withdrawing it. In these questions there would be a direct and palpable motive, that of a saving to the State, which, so far as it went, would be a real, if not an adequate motive, for breaking up these establishments. But the question at issue turns on this very different point—whether, by a measure obnoxious to Scotland, and in which England cannot challenge an interest remote or direct, you are to adopt an enactment so likely to

create the ruin of these establishments, now that they have already attained prosperity? The wish of many of the wisest English patriots has been accomplished—the barren and desolate shores are compensated in that desolation by the riches of the sea—foreigners are driven from engrossing as formerly their wealth, and selling to Britain herself, at advantage, the produce of her own coasts. Thriving villages are already found where there were scarcely to be seen the most wretched hovels; a population lazy and indolent, because they had no motive for exertion, have become, on finding the employment, and tasting the fruits of industry, an enterprizing and hardy race of seamen, well qualified to enrich their country in peace—to defend her in time of war. *All this* is GAINED. Shall all be lost again, to render the system of currency betwixt England and Scotland uniform? all sacrificed to what I can call little more than a political conundrum? In my opinion, the Dutchmen might as well cut the dikes, and let the sea in upon the land their industry has gained from it. In the case of Holland, she would at least save the money ex-

pended in maintaining her ramparts. In our case, the state gains nothing and loses everything.

Lastly, I would say a word in behalf of the people of Scotland, merely as human beings, and entitled to consideration as such. I will suppose this alteration is recommended by some expected advantages of great importance, but the nature of which are prudently concealed. I will suppose, what is not easily understood, that in some unintelligible manner England is to gain with addition what Scotland is condemned to lose. (The process, by the way, seems to resemble that recommended by Moliere's quack, who prescribes the putting out of one eye, that the other may see further, and more acutely.) I will suppose that our statesmen, by enforcing this measure, condemn to emigration, or transportation —the punishment she inflicts on felons—the inhabitants of distant and desert tracts, on the mainland and in the Hebrides, to save her from some expense, and because she thinks a country so different from her own fertile valleys, cannot be fit for human habitation. In that case, I would say, Consider, first, the character of the

population you are about to consign thus summarily to the effects which must follow the destroying their present means of livelihood. My countrymen have their faults, and I am well aware of them. But this I will say, that there is more vice, more crime—nay, more real want and misery, more degrading pauperism and irremediable wretchedness, in the parish of Saint Giles's alone, than in the whole Highlands and pastoral districts of Scotland, or perhaps in all Scotland together. Poor as the inhabitants are, the wants of the Highlanders are limited to their circumstances; and they have enjoyments which make amends, in their own way of reckoning, for deprivations which they do not greatly feel. Their land is to them a land of many recollections. I will not dwell on that subject, lest I be thought fantastic in harping on a tune so obsolete. But every heart must feel some sympathy when I say, they love their country, rude as it is, because it holds the churches where their fathers worshipped, and the churchyards where their bones are laid.

This is not all. Mountainous countries inspire peculiarly strong attachments into the na-

tives, showing perhaps, if we argue up to the Final Great Cause, that while it was the pleasure of God that men should exist in all parts of the world, which His pleasure called into being, the Beneficence of the Common Father annexed circumstances of consolation, which should compensate the mountaineers for want of the fertility and fine climate enjoyed by the inhabitants of the plain. Some philosophers, looking to secondary causes, have referred the sense of this local attachment amongst mountaineers to the influence of the sublime though desolate scenery around them, as stamping the idea of a peculiar country more deeply on their bosoms. The chief cause seems to me to be, that such tribes rarely change their dwellings, and therefore become more wedded to their native districts than are the inhabitants of those where the population is frequently fluctuating. The land is not only theirs *now*, it pertained to a long list of fathers before them; and the coldest philosopher will regard what is called a family estate with greater attachment than he applies to a recent purchase.

But independent of this, the inhabitants of

the wilder districts in Scotland have actually some enjoyments, both moral and physical, which compensate for the want of better subsistence and more comfortable lodging. In a word, they have more liberty than the inhabitants of the richer soil. Englishmen will start at this as a paradox; but it is very true notwithstanding, that if one great privilege of liberty be the power of going where a man pleases, the Scotch peasant enjoys it much more than the English. The pleasure of viewing "fair Nature's face," and a great many other primitive enjoyments, for which a better diet and lodging are but indifferent substitutes, are more within the power of the poor man in Scotland than in the sister country. A Scottish gentleman, in the wilder districts, is seldom severe in excluding his poor neighbours from his grounds; and I have known many that have voluntarily thrown them open to all quiet and decent persons who wish to enjoy them. The game of such liberal proprietors, their plantations, their fences, and all that is apt to suffer from intruders, have, I have observed, been better protected than where

severer measures of general seclusion were adopted. *Haud inexpertus loquor.*

But in many districts, the part of the soil which, with the utmost stretch of appropriation, the first-born of Egypt can set apart for his own exclusive use, bears a small proportion indeed to the uncultivated wastes. The step of the mountaineer on his wild heath, solitary mountain, and beside his far-spread lake, is more free than that which is confined to a dusty turnpike, and warned from casual deviation by advertisements which menace the summary vindication of the proprietor's monopoly of his extensive park, by spring-guns or man-traps, or the more protracted, yet scarce less formidable denunciation, of what is often, and scarce unjustly spelled, "*persecution* according to law." Above all, the peasant lives and dies as his fathers did, in the cot where he was born, without ever experiencing the horrors of a work-house. This may compensate for the want of much beef, beer, and pudding, in those to whom habit has not made this diet indispensable.

It is to be hoped that experimental legislation will pause ere consigning a race which is con-

tented with its situation to banishment, because they only offer at present their hardy virtues and industry to the stock of national prosperity, instead of communicating largely to national wealth. Even considered as absolute paupers, they have some right to such slight support as may be necessary to aid them in maintaining themselves by their own industry. If the poor elsewhere could be maintained without the degrading sense that they were receiving eleemosynary aid, it would be the better for themselves and their country.

I will admit, for argument's sake, that the public funds which have established those fishing stations might have been bestowed to better advantage; still, having been so expended, we ought certainly not to be hasty in withdrawing our support, even if we may judge that it was incautiously granted at first. The philosopher, in the fanciful Tale of Frankenstein, acted unwisely in creating the unnatural being to which art enabled him to give life and motion; but when he had, like a second Prometheus, given sensation and power of thought to the creation of his skill and science, he had no title to desert

the giant whom he had called into existence; and the story shows that no good came of his being discontented with his own handy-work. But I contend, that the establishments to which I allude exhibit nothing save what may render the founders and encouragers proud of the result of their patriotic labours.

I do therefore hope that the present contented and rapidly improving condition of so many fellow-creatures, will be considered as something in the scale, when a measure shall be finally weighed, which, in the opinion of all connected with the north of Scotland, threatens to deprive them of the means of livelihood.

On other national topics I have already said enough. Those who look only at states and ledgers, hold such feelings as arise upon points of national honour, as valueless as a cypher without a numeral prefixed. Right or wrong, however, they still have an effect on the people of Scotland, as all can bear witness who were here when his Majesty honoured the capital of his ancestors with his own presence. We would not plead these too high neither, nor cling tenaciously by antiquated pretensions, which may

obstruct the general welfare of the empire; but we deprecate that sort of change which is made for the mere sake of innovation. A proud nation cannot endure such experiments when they touch honour—a poor one cannot brook them when attended with heavy loss. We are all aware that many changes must of necessity be —the political atmosphere is heavy and gloomy with the symptoms of them,

"And coming events cast their shadows before."

These changes will be wrought in their time; but we trust they will not be forced forward suddenly, or until the public mind is prepared for, and the circumstances of the country require them.

Seasonable improvements are like the timely and regular showers, which, falling softly and silently upon the earth, when fittest to be received, awaken its powers of fertility. Hasty innovation is like the headlong hurricane, which may indeed be ultimately followed by beneficial consequences, but is, in its commencement and immediate progress, attended by terror, tumult, and distress.

This is indeed a period when change of every kind is boldly urged and ingeniously supported, nay, finds support in its very singularity; as the wildest doctrines of enthusiasm have been often pleaded with most eloquence, and adopted with most zeal. One philosopher will convert the whole country into work-houses, just as Commodore Trunnion would have arranged each parish on the system of a man-of-war. Another class has turned the system of Ethics out of doors, and discovers on the exterior of the scull, the passions of which we used to look for the source within. One set of fanatics join to dethrone the Deity, another to set up Prince Hohenloe. The supporters of all find preachers, hearers, and zealots, and would find martyrs if persecuted. We are at such a speculative period obliged to be cautious in *adopting* measures which are supported only by speculative argument. Let men reason as ingeniously as they will, and we will listen to them, amused if we are not convinced. I have heard with great pleasure an ingenious person lecture on phrenology, and have been much interested in his process of reasoning. But should such a phi-

losopher propose to saw off or file away any of the bumps on my scull, by way of improving the moral sense, I am afraid I should demur to the motion.

I have read, I think in Lucian, of two architects, who contended before the people at Athens which should be intrusted with the task of erecting a temple. The first made a luminous oration, showing that he was, in theory at least, master of his art, and spoke with such glibness in the hard terms of architecture, that the assembly could scarce be prevailed on to listen to his opponent, an old man of unpretending appearance, But when he obtained audience, he said in a few words, "All that this young man can talk of, I have DONE." The decision was unanimously in favour of Experience against Theory. This resembles exactly the question now tried before us.

Here stands Theory, a scroll in her hand, full of deep and mysterious combinations of figures, the least failure in any one of which may alter the result entirely, and which you must take on trust, for who is capable to go through and check them? *There* lies before you a practical

System, successful for upwards of a century. The one allures you with promises, as the saying goes, of untold gold,—the other appeals to the miracles already wrought in your behalf. The one shows you provinces, the wealth of which has been tripled under her management, —the other a problem which has never been practically solved. Here you have a pamphlet —there a fishing town—here the long-continued prosperity of a whole nation—and there the opinion of a professor of Economics, that in such circumstances she ought not by true principles to have prospered at all. In short, good countrymen, if you are determined, like Æsop's dog, to snap at the shadow and lose the substance, you had never such a gratuitous opportunity of exchanging food and wealth for moonshine in the water.

Adieu, sir. This is the last letter you will receive from,

Yours, &c.

MALACHI MALAGROWTHER.

EDINBURGH:
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TO

MALACHI MALAGROWTHER, Esq.

Waverley-Honour, Feb. 28, 1826.

My Dear Cousin,

Distant as our relationship is, I can never hesitate to acknowledge it, out of respect to that illustrious person whom fame reports to be our common progenitor.

I thank you for sending me a copy of your Pamphlet on the "Proposed Change of the Currency in Scotland," and I hope you will take in good part the criticism which I cannot, I own, repress on this production.

I never can cease to feel a deep interest in every thing that relates to Scotland. I have Scotch blood in my veins, derived from my grandmother, the celebrated Rose Bradwardine; and, by the increase of manufactures and the im-

provements of agriculture, the estate of Tully Veolan, which I derive from her, gives me a still more substantial claim to concern myself in Scottish affairs.

I therefore need, I hope, make no apology for the following observations, which, as a *Briton*, deriving my blood from the Caledonians and the Saxons, and possessing property both in Scotland and England, I think myself not merely justified, but, in honour and conscience, obliged to make.

I need not tell *you* that the remoteness of our relationship, and of our residence (to say nothing of *principles*) has precluded any acquaintance between me and the Malagrowthers; but I confess that I am surprised, as well as concerned, to find in you so little resemblance to our common parent.

He was not only one of the ablest men of his day in all the walks of literature, but he sweetened even the bitter cup of politics with candour and good humour, and, in all the ordinary intercourses of life, was cheerful, friendly, right-headed, and, above all, right-hearted. You, on the contrary, make it your boast that you are

poor and peevish—a growler by profession—one who suffers under a chronic jaundice—and I fear that, in addition to the amiable picture which you thus draw of yourself, it may be shown that your reasoning is no better than your temper, and that, to borrow poor Sheridan's elaborate sarcasm, you draw on your fancy for your facts, and on your memory for your jokes.

It is not the least proof of how much you degenerate from the good taste of your illustrious progenitor, that you have thought the peevishness, which might be excused in the hasty columns of a newspaper, worth preserving in the more permanent shape of a pamphlet.

It is to this pamphlet that I mean to apply my observations; and I shall begin with its title-page, for I think you have fallen into the ominous misfortune of stumbling at the threshold.

The object of your pamphlet is, as this title-page informs us, to complain of the "Proposed change of Currency, and other late alterations, as they affect, or are intended to affect, the *Kingdom of Scotland*;" and, in the course of your letter, you ridicule and revile all such alterations as either silly or insulting attempts to establish

a system of *assimilation and uniformity* in law, revenue, and commercial finance, between Scotland and England.

Now, my dear Sir, this too-candid title page advances a radical error, which pervades your whole letter—*the kingdom of Scotland!* If Scotland were indeed a *kingdom*—a separate and independent sovereignty—the question of uniformity and assimilation might be open to *some*, though certainly not to *all*, the observations you make, but, as the case happens to be, you have mistaken *Sister Peg* (as you elsewhere are pleased to designate her) for QUEEN *Margaret;* and your prognostics, allow me to say, are just of the same force as the opinion of the Empiric, who, having been consulted (in that peculiar mode which was the fashion of his day) on a case which he supposed to be that of a Lady, was so unlucky as to pronounce that a Doctor of Divinity was pregnant, and to prescribe for the reverend gentleman certain means and medicaments, altogether unsuitable to the real state of the affair.

You mention in your letter, that you had heard from your grandfather, of a certain old treaty,

called the Treaty of Union, and you profess a hope that this obsolete document may even yet be discovered and exhibited in the Museum of Scottish Antiquities.

You need scarcely have told us, that you had never seen this treaty. Every page of your letter, from the title to the colophon, exhibits a happy ignorance both of its enactments and its spirit, but as I have had the good fortune to meet with a copy of this recondite document, I can take upon myself to inform you, that, somewhere about the year 1707, Scotland ceased to be a *kingdom*, as also did England, and the separate nationalities of each were merged in the Imperial name and sovereignty of Great Britain; and I think that your idea of a UNION, which was *not* to lead to assimilation of laws and manners and to identity of feelings and interests, might be expected to have occurred to the blundering brains of Paddy Blake, rather than to the precise and dialectic frame of mind to which the Malagrowthers lay claim.

In most *unions* the bride is expected to assume the name, share the fortunes, and assimilate with the manners, of the husband. Your notion

of what was to be expected from Scotland, on her union with England, seems on the contrary, to be like that which your renowned relative, Sir Mungo, entertained of Mrs. Martha Trapbois, when she condescended to intermarry with Mr. Ritchie Moniplies. "It seems to me," said the knight, "that this bride of yours is like to be *master* and *mair* in the conjugal state."

To this little error of your title-page, relative to the KINGDOM of Scotland, you subjoin a scrap of Latin not much more fortunate—

Ergo, Caledonia, nomen inane, vale!

By this motto you must, I suppose, mean that the late and present measures of the Goverment have reduced your *kingdom* of Scotland to the state of pitiable desertion which that quotation implies.

Now, as the quotation seems to be of no very modern date (though it certainly does not belong to *classical* times), it follows that Ministers, according to your own shewing, are only bringing back Scotland to her pristine state; and you must also admit that nothing has been, in past times, more frequent than a Scotch-

man's bidding farewell to his country—"*Inanitatis ergo.*" So far, at least, no *laudator temporis acti* could have any reason to complain, even if the quotation were apposite; but I am justified in adding that some of the very measures against which you remonstrate, have tended very much to produce a happier state of things—to substitute wealth and plenty for the said inanity, and the power of living comfortably at home, to the necessity of bidding "*farewell to Caledonia!*"

I have dwelt a little longer on your title-page than perhaps might have been expected; but I am a literary physiognomist, and I thought I saw in the features of your frontispiece, strong characteristics of what was to follow.

I shall now proceed to observe on the successive points of your letter itself.

You begin by complaining of alterations of the LAW, and you expend ten pages in condemning all such innovations in the lump. You complain that the English, so averse to any inroad on their own habits, are yet willing enough to impose them on their neighbours, and "that, *like the* "*Friars in the Duenna*, the English Monks of the "law will not tolerate in their lay brethren of the

"North" the same feeling of respect and attachment to their legal institutions which the English entertain for theirs.

I do not exactly see the drift of this allusion. In the *Duenna*, if I recollect aright, the Monks *denied* to the lay brother a participation in their luxury, whereas your meaning seems to be, that the perverse generosity of the English endeavours to cram these good things down the throats of the reluctant Scotch. The illustration must, I think, be admitted to be a blunder.

You are very grateful that this spirit of innovation was not applied to Scotland for the first fifty years of the last century; but you are grateful, not so much to the Ministers and Statesmen of those days, as to the "*edges of the Scotch claymores*," to which—with rather less loyalty than belongs to our family—you are pleased to allude.

I shall not stop to inquire whether the *edge of a claymore* is a good argument in a question of legal improvement or civil administration, nor will I insist on the obvious retort that, if *claymores* had *edges* at Preston-Pans, *bayonets* had *points* at Culloden; but I will say, that if you meant to

excite our sympathy, and to conciliate our good will, towards Scotland, you take a strange mode of doing so by reminding us of her rebellions, at once so absurd and so atrocious, and by referring, *as the chosen and regretted period of national happiness*, to those fifty years, during which Scotland was, in the opinion of all mankind (except the Malagrowthers), impoverished and disgraced by disaffection and political bigotry, by tumults against the laws, and by insurrections against the liberties of the land.

But allow me to acquaint you, that your *minatory* allusion is historically false; for in the year 1725, just in the middle of that period in which you think your claymores were so influential, one of the first, the greatest, and the most offensive, of our modern innovations, was effected by the Act for Disarming the Highlands.

This Act, I admit, shewed that we thought your claymores dangerous implements, but it shewed, also, that they did not deter the Imperial Parliament from doing its duty by Scotland and by the Empire.

But if, in your opinion, the claymores saved your beloved country from innovation during the

first half century, *contempt*, you say, secured her during the last.

"Neglected as she was, and perhaps because "she was neglected, Scotland, *during the space* "*from the close of the American War* TO THE PRE-"SENT DAY, has increased her prosperity in a "ratio *more than five times greater* than that of "England."

Such are your own words, such is your unequivocal admission;—*down to the present day too!!!* Scotland has gone on improving, in a five-fold ratio, for *fifty* years, *down to the present day*, and yet the first part of your letter is full of *complaints* of innovations made within the last five-and-twenty years; and I will add, what you omit, that, *during the whole of that period*, innovations have been gradually, but steadily, in progress. No year has passed without some moral approximation of Scotland and England, and the result is—National degradation?—Public distress?—Retrogradation in wealth, happiness, and honour?—No—but a FIVE-FOLD *increase in every species of prosperity!*

You are a cynical creature, Malachi, but your disposition to *truth* is stronger even than your

bile, and forces itself through the melancholy mist in which a fit of ill humour has shrouded your intellect.

Again—after denouncing all the alterations which, during the last 20 years, have taken place in the law in Scotland as "*the wanton inroads of every juvenile statesman*"—as the "*manglings of junior students in a common dissecting room*"—as, in short, "*experimenta in corpore viii*"—you, the very next moment, like a vicious cow, kick down your own pail, and, with the same inconsistent candour which I have just remarked upon, you proceed to contradict, even in terms, every syllable you have written.

"I do not mean to dispute," you say, "that "*much alteration* was NECESSARY in our laws, and "that much benefit has followed many of the "great changes which have taken place; I do not "mean to deprecate a gradual approach to the "English system, especially in commercial law. "The Jury Court, for example, was a fair "experiment, in my opinion, cautiously intro- "duced as such, and placed under such regula- "tions as might best assimilate its forms with "those of the existing Supreme Court."

Could there be, I ask—supposing Malachi Malagrowther to be a person of some authority—could there be a more direct approval of what had been done, or a stronger encouragement to proceed in so *beneficial a course*, than the above quoted sentence affords?

I could have wished indeed, that your approbation had been more frank and generous, less alloyed by peevish reserves, and captious exceptions, and that your view of the gradual improvements of Scotland had partaken more of the candid and liberal spirit of Baillie Nicol Jarvie, than the narrow prejudices of Andrew Fairservice. I cannot resist the pleasure of quoting the passage in which the magic pen of our family historian has contrasted the sentiments of those characters.

"The Baillie saw with the prospective eye of "an enlightened patriot, the buds of many of "those future advantages which have only *blos-* "*somed* and *ripened within these few years.* I "remarked also, and with great pleasure, that "although a keen Scotchman, and abundantly "zealous for the honor of his country, he was "disposed to think liberally of the sister king-

"dom. When Andrew Fairservice (whom, by the "way, the Baillie could not abide) chose to im- "pute the accident of one of the horses casting his "shoe to the deteriorating influence of the *Union*, "he incurred a severe rebuke from Mr. Jarvie*."

This passage seems very "germain to the matter" in discussion between us. Our historian, you see, does not agree with you that the last few years have been marked with any thing dishonourable or disadvantageous to Scotland: on the contrary, he says, that in them your prosperity, which was only *in bud* before, has *blossomed* and *ripened*. I recommend also to your observation the liberal and grateful spirit in which Mr. Jarvie was disposed to receive the interference of England; and I think that if you had had in your memory Mr. Fairservice's ludicrous appeal to the *Union*, on the subject of the horse-shoe, you would not have invoked the spirit of that solemn treaty, on the matter of the dismissal of an exciseman.

But, even when you are obliged to admit that the *measures* themselves have been right and beneficial, you complain that they were not introduced by the *proper persons*. You

* Rob Roy, Vol. ii. p. 310.

confess that the haggis is excellent, and the cock-a-leekie as good, as that of which King James and Sir Mungo partook at Castle-Collop*; but it quite turns your stomach to think that they were not prepared by a genuine Scotch cook. Such nicety, methinks "savours of affectations," and, if the fact were true, it would rather be complimentary to those who had studied the Scotch palate with such nice discrimination and such complete success; but I take leave to inform you that your fact is unfounded. As you affect never to have seen the Treaty of Union, it is probable that you have no great acquaintance with the Statute Book, and I shall, therefore, not refer you to a volume, more formidable than that of the *wizard Scott;* but there are some less recondite sources of information to which I may venture to allude.

I have now before me, in the *Edinburgh Annual Register* of 1808, an essay, entitled "A View of the changes proposed and adopted in the administration of justice in Scotland." This paper has been attributed to our excellent friend *Sir Walter Scott*, and if you had consulted it, you

* Vide "The Fortunes of Nigel," vol. iii., ad finem.

would, I think, have avoided some of the errors into which you have fallen: for instance, from it you might have learned that the first "serious alteration" in the constitution of the Scotch Courts was made in 1724, in that first Utopian period during which you imagine that the "*claymore's edge*" kept innovation at a distance, viz., the Act which prohibited the future nomination of extraordinary Lords of Session. The author of the essay does not state who the propounder of the measure was, but I can inform you that it was Mr. Duncan Forbes,—*clarum et venerabile nomen*—one of those eminent men on whom Scotland may justly pride herself.

The next serious alteration appears to have been in that *second* Utopian period of yours, immediately following the American war, when, Sir Walter Scott tells us, that—not an *Englishman*—not a young *State Surgeon*—but Sir Ilay Campbell, a Scotchman—a Scotch lawyer—nay, Lord Advocate, and finally Lord President, of Scotland, introduced an important measure of this nature; and Sir Walter proceeds to inform us, that a few years after (all within the same Utopian period) Lord Swinton, not merely a

Scotchman, but a Scotch Judge, made "in a work of great learning and uncommon merit," several of these very proposals, whose adoption Sir Walter seems to recommend, but of which you, on the other hand, highly disapprove. I trust I may be forgiven if, on such a subject, I agree with Sir Walter Scott rather than with Malachi Malagrowther.

These proposals of Sir Ilay Campbell and Lord Swinton, appear to have been the foundation of the measures for improving the Scotch Courts proposed by the Whig Administration in 1807. I grieve at being obliged to confess, that these measures were proposed by an *Englishman* —not, however a *young State Surgeon* as you apprehend, but, by Lord Grenville, then *Prime Minister*, who probably thought, that in dedicating his great station and valuable time to the conduct of these measures, he was paying a due respect to the importance of the subject, and the feelings of the Scottish people. But, although Lord Grenville introduced them, is it possible that you can be ignorant that they were suggested, prepared, discussed, and approved, by the Scotch part of the Administration; and

that, although there was a considerable difference of opinion in Scotland on the subject, it *was* a division of opinion, and that if it was opposed by Scotchmen, it was by Scotchmen also that it was suggested and advocated?

What followed?—When the present Administration, (for I agree with you, that the Administration of to-day may be looked upon as essentially the same,) succeeded the Whigs, that they found all parties in Scotland were agreed that, after what had passed, something must be done.

For this purpose two Commissions have been successively appointed to inquire into the possible improvement of the Scottish law. You would hardly, I suppose, have had these great and intricate questions decided without some previous inquiry; yet, in the bitterness of your wrath against the Ministers, you complain, like Queen Catherine, that

> ——There have been *Commissions*
> Sent down amongst them which have flawed the heart
> Of all their *loyalties*.

I had never before heard that this Commission was unpopular in Scotland, and I cannot but

think, the *loyalty* which could be shaken, as yours seems to have been, by such a measure, was, like your plaids, loosely worn, and easily cast off. In fact, I believe that the principles on which the first Commission was framed, and the spirit with which it was actuated, were perfectly satisfactory to Scotland in general. I know that it included some of the most venerable names in your country; and the report (besides the great ability, moderation, and judgment, with which it was drawn up) has also, in my eyes, another pledge that it contained nothing injurious to the feelings, or detrimental to the interest of Scotland, viz., that it was compiled by the hand, and attested by the signature of *Sir Walter Scott;* whom the Commissioners (with the very reverse of the spirit you impute to them) had appointed Clerk of the Commission. So much for the first assault on your National Institutions.

Of the second Commission, you say that it was composed, "(if Scotchmen *must needs be* "employed) of those who had been too long "estranged from the study of Scottish law to re-

" tain any accurate recollection of the abstruse " science, or any decided partiality for its tech- " nical forms." And you further intimate, with corresponding indignation, that " the opinions " of the Scotch *Lawyers*, nay, of the Scotch " *Judges*, have been something too much ne- " glected and controuled in the course of these " important changes, in which methinks they " ought to have had a primary voice."

This, as regards the *matter of fact*, is rather an unlucky series of assertion. I have shewn you that we have Sir Walter Scott's evidence of the propriety of the constitution and proceedings of the *first* Commission. Now let us see whether we have not even stronger evidence of the propriety of the *second*—the Commissioners named in which were the Lord President, the Lord Justice Clerk, the Lord Chief Baron, Lord Pitmilly, Lord Gillies, and Mr. Baron Hume, all *Scotch Judges* of the greatest reputation and talents; to whom were added the Lord Advocate, the Solicitor-General, and Mr. Cranstoun, three eminent *Scotch lawyers*, the Professor of *Scotch Law* in the University of Edinburgh, and the Deputy-Keeper of the Signet

in Scotland; and, further, (in number sufficient to supply information, but not to sway decisions), two English Masters in Chancery, and two eminent English Barristers.

How this roll of names accords with your statement of the neglect shewn in these proceedings to *Scotch Lawyers and Judges*, you must explain—I cannot.

I am not ignorant that few Sessions of Parliament have passed without some attempts at further innovation; and, perhaps, I as little like the spirit of such innovation as you do: but who have been the innovators? A pack of giddy young Englishmen, as you would have us believe? Whether the gentlemen be giddy or young I will not venture to pronounce; but as to being *Englishmen*—which is the real *gravamen* of your charge—they are undoubtedly, every mother's soul of them, as genuine Scots as Malachi Malagrowther himself. Mr. Kennedy, Mr. Maxwell, Mr. Abercromby, Mr. Peter Grant, Sir Ronald Fergusson, and Lord Archibald Hamilton, have been the stirrers or supporters of most of those questions; and by whom have they been opposed? Undoubtedly by many respectable Scotch Members, but most

powerfully by the English Ministers. If, as you seem to complain, a new Scotch Jury Bill was, after much difficulty and discussion, passed, what were the facts as to that Bill? It was introduced in what was thought an imperfect and injurious form, by a *Scotch* lawyer in the House of Commons, and supported by all that call themselves Scotch Patriots; and it was so pertinaciously pressed that, to prevent mischief, the Scottish Members of the Government were obliged to take it into their own hands, and it was finally carried through the Lords by the Lord Privy Seal of Scotland, and through the Lower House by your Lord Advocate; so that, whether the Bill be good or bad (on which point Mr. M'Wheeble, our hereditary factor at Tally Voelan, has not yet made up his mind), it is evident, Cousin Malachi, that you have to thank or blame your own countrymen for it. What then, I ask, is the pretence for the outcry and clamour which you make, and, what is worse, which you endeavour to spread, that Scotland is maltreated and degraded into "a kind of experimental farm," upon which every *English* quack is encouraged to practise his theories?

I have shown, out of your own mouth, that whatever changes have been made are beneficial; that the quackery of experimentalists has been successfully resisted, and that in all cases the opinions and feelings of the Scottish nation, represented by the Scottish gentry, have been, not merely consulted, but deferred to; and I think I may conclude in the dictum of our relative, Lord Keeper Ashton (as reported in 2nd Tales of my Landlord, p. 25) "That these mutations are *no new sights* in Scotland, and had been witnessed long before the time of this satirical author."

I now proceed to your next grievance.

The Boards of Excise and Customs in Ireland and Scotland have been, it seems, amalgamated with the respective English Boards, and Imperial departments have been thus created for the management of the Imperial Revenue. This to Scotland, is, in your opinion, not only an *injury* but an *insult*. The Malagrowthers are, I readily believe, more sensitive to points of honour, than practised in managing revenues, and your little mistakes upon this head are, therefore, the less surprising. Your national prejudices, and per-

haps some distant prospect of a Commissionership for yourself, your son, or some of your cousins (on the Malagrowther side), prevent, it seems, your discovering any other cause for this arrangement, than that the Irish Board was abolished for malpractices, and that the Scotch Board was abolished for "the sake of *uniformity*, to keep them company;" and you illustrate this by a facetious anecdote of Lord Strathmore's bailiff, who, having put a malefactor into a pair of stocks, that stood at one side of a formal courtyard in the castle of Glammis, hired an innocent Sawney to fill, for *uniformity's sake*, another pair of stocks, which had been (also for uniformity) placed on the other side of the said yard.

The story is a pleasant one, and not the less amusing for being nothing to the purpose.

In the first place, I deny that the change in the administration of the Revenue was made on account of *misconduct* in the provincial Boards. It was framed on a general principle, that as the Revenue to be collected was, as the French used to say, *one and indivisible*, it ought, in all reason, to be managed by *one undivided* department; and

I am sorry to be obliged to add, that abuses at least as serious had been, not very long before, discovered in Scotland. Are you ignorant, my cynical Cousin, that in the year 1809 three Members of one of your Scotch Boards were removed for official impropriety? I do not know to what extent either the Scotch or the Irish officers were blamable; I only state the fact, to disprove the whole of your reasoning, and to show, that if the bailiff of Lord Strathmore had been the justiciar of these delinquents, he would, in the first instance, have had to put *your own countrymen in the stocks*, and to have kept them there a pretty long while before Ireland had furnished *her* quota to the uniformity of the Castle of Glammis.

I am very sorry to observe that you do not confine your misrepresentation of this point to mere jocularity. You state that Scotland was included in this arrangement, because the Government *durst* not attempt it on Ireland alone. The Irish, it seems, wished for a companion in their misery; and "this gratification of his humours was gained," you say, "by Pat's being *up with the pike* and shillelah on any and no occasion."

This, Malachi, I take leave to say, is sharper than even "*the edge of the claymore.*" *That* has been in its sheath for near a century. It is little more than 20 years since the Irish pike was red with rebellion and massacre. It is barely as many months since it has been dyed in midnight assassination. Good God! Cousin, what were you thinking of, when you allowed your pen, or even your mind, to wander into such perilous pleasantries—but, after all your fun and your fury, what is the real amount of the change either in Ireland or Scotland? Why, no more than this—Instead of separate and independent Provincial Boards, standing Committees of the Imperial Board are resident in Dublin and Edinburgh, who do more business than of old, and at half the expense.

The ports of Glasgow, Belfast, and Liverpool, are within 24 hours' sail of each other—they trade in the same articles—they collect revenues for one common Exchequer—yet in each the business was conducted on systems wholly different in principle and in practice. Baillie Jarvie complained, even in his day, of the

than even "*the edge of the claymore.*" The claymore has been in its sheath for near a century. It is little more than 20 years since the Irish pike was red with rebellion and massacre. It is barely as many months since it has been dyed in midnight assassination. Good God! Cousin, what were you thinking of, when you allowed your pen, or even your mind, to wander into such perilous pleasantries—but, after all your fun and your fury, what is the real amount of the change either in Ireland or Scotland? Why, no more than this—Instead of separate and independent Provincial Boards, standing Committees of the Imperial Board are resident in Dublin and Edinburgh, who do more business than of old, and at half the expense.

The ports of Glasgow, Belfast, and Liverpool, are within twenty-four hours' sail of each other—they trade in the same articles—they collect revenues for one common Exchequer—yet in each the business was conducted on systems wholly different in principle and in practice. Baillie Jarvie complained, even in his day, of the Custom-house officers, "who went about on the

"quay, plaguing folk about permits and dockits, "and all that *vexatious* trade*," and I can scarcely think that any of his descendants (one of whom I hear, represents a neighbouring district of Burghs in Parliament) will agree with you in thinking that the *dignity* of Scotland requires that Commerce should be taxed to the amount of 12,000*l.* per annum, for the high privilege of being puzzled by *three* codes of laws, embarrassed by *three* systems of regulations, and plagued by *three* tribes of officers; when that very treaty of Union (of which you happen to be so strangely and so unfortunately ignorant) provides especially, that "all laws concerning *regulations of trade, customs, and excise,* shall be, after the Union, the same in England and Scotland." One, indeed, can only wonder, that in the teeth of the law and common sense such anomalies should have been tolerated so long.

In the same spirit in which you lament over the impaired *dignity* of Scotland, in being obliged to content herself with *three* Commissioners of Excise instead of *five*, you cast some "longing,

* Rob Roy, vol. ii., p. 273.

lingering looks" towards certain other convenient retreats, in which the *dignity* of Scotland loved to nestle her unfledged offspring, but which the hand of that *durus arator*—the economical reformer—has despoiled:—

" ——at illa
Flet noctem, saxoque sedens miserabile carmen
Integrat, et mœstis late loca quœstibus implet."

You are too well read in the erudite tomes of Mr. Josephus Miller, not to know that I have authority for this allusion to a Caledonian nightingale. A Scotch gentleman having heard it asserted that these birds were not to be found beyond the Tweed, assured the company that this was an error, for that he himself had often seen the *nocturnal songster* which he described as being about the size of a small goose, having little red eyes, and a hooked beak, and delighting to sing all night out of an old ivy bush, *whoo, whoo, whoo!*

The Scottish Philomel is, we find, the *birll of Wisdom*; and truly it is in a very prudential and calculating strain that she bewails her devastated nests.

" We have consented with submission, if *not*
" with cheerfulness, to reductions and abolitions
" of public offices required for the good of the
" state at large, but which must affect materially
" the *condition* and even the *respectability* of our
" *overburdened aristocracy*."

Indeed, Cousin, I may say with honest *Stephano*, " You are in your fit now, and your talk " is not after the wisest ;" for I fancy you will not meet much countenance in this comfortable theory of yours, that public employments are instituted for the advantage, not of the public, but of the happy individuals capable of filling them, and that it is of no consequence what sums may be drawn from the pockets of the people, provided the *kith* and *kin* of the Malagrowthers are gratified and accommodated by a due share of the sum total.

Your notion of the *real utility* of a public office, reminds me of a circumstance which took place a few years ago in the House of Commons.

A worthy Scottish gentleman, well known to you and me, was one evening endeavouring to move the compassion of the House with a lamen-

tation very similar to yours, over the abolition of a certain class of offices in Scotland, and amongst others, of *one* which he thought it almost treason and impiety to have abolished: "*abolished,*" exclaimed the late Mr. Whitbread, "so far from this office being *abolished,* I apprehend it is actually filled at this moment with great credit to himself, and advantage to the public, by the honourable complainant himself." "A'weel!" rejoined the Caledonian, nothing disconcerted, "a'weel! I'll nae wrangle wi' ye aboot the office itself, but, I say, the auld salary is aboleeshed, and that's far waur!"

But my letter grows too long, and I must, therefore, break off here, and postpone for a day or two, the observations which I have to make on the other topics of your pamphlet. *En attendant,*

I remain, dear Malachi,
your affectionate Kinsman,
E. Bradwardine Waverley.

LETTER II.

My Dear Cousin,

I shall now proceed to consider what I take to be the chief object, as it certainly was the immediate motive, of your publication; I mean the intention of the Government to endeavour to introduce a metallic currency in lieu of the small notes which now circulate in Scotland to the exclusion of all gold coin.

You profess to have no skill in the *theories* of currency and credit, and you beg leave to consider the question in a purely *practical* view. I pretend to as little proficiency in that most abstruse science, and am as willing as you can be to consider it as a *practical* question; but I fear that we differ as to the meaning of the word *practical*; I think I can see that by a *practical*

view, you really mean a view *narrowed* to the present and momentary state of things, and excluding all considerations of what has passed elsewhere, and of what may, at any future moment, occur in Scotland itself; and this I take to be the great error of those who call themselves *practical* men. They confine their observations to the *local spot*, and the *present* day. He who thinks of *to-morrow* they call a *theorist;* if he looks to the next month, he is a *speculatist;* but if he attempts to legislate for a year or two in advance, he is deemed a perfect *visionary;* or, perhaps—the most injurious term the wit of the *practicals* can devise—even a *philosopher!*

But to proceed to our discussion—

I fear that in the very first line of your observations on this part of your subject you have fallen into a mishap, one of the most unlucky which could occur to a *practical* man—namely, a complete mistake as to the *matter of fact* on which you propose to lecture, which is, as you state it:—

"The business of extending to Scotland the

" provisions of the Bill, prohibiting the issue " of notes under 5*l.* in *six months after the regu-* " *lation shall be adopted in England.*"

And in a subsequent passage, you imply, that the effect on Scotland was *at first* intended to be *immediate.*

" Lord Lauderdale," you say, " almost " alone interfered, and, to his infinite honour, " procured a *delay of six months* in the extension " of this Act—a sort of reprieve from the " Southern *jougs.*"

Where you have found all these propositions, or any thing like them, I cannot guess. I live nearer to the seat of Government, and I never heard—never read of them. No human being, to my knowledge, except Malachi Malagrowther, has ever mentioned *six*, or any number of months. Lord Lauderdale's *infinite honour* must, therefore, stand on some other pedestal. The most that I can learn that his Lordship did, was to give to Lord Liverpool an opportunity of removing some of these misapprehensions, which, as the progress of truth is slow, were, I see, still in full force in Scot-

land at the date of your letter. The sum of what I can discover to have been said was, that measures would be brought forward hereafter for Ireland and Scotland, with *such limits as to time*, as the *very different* positions of these countries from that of England might seem to require.

On this false scent, however, you run the rest of your course; but, at the conclusion of your letter, I find, to my utter surprise, the following postscript:—

"Since writing these hasty thoughts, I hear "it reported that we are to have an extension "of our precarious reprieve, and that our *six* "*months* are to be extended to *six years*."

This postscript so alters the state of the case;—so answers all the charges of *hasty* resolutions, *violent* changes, and *precipitate* attempts at assimilation, that I only wonder that, instead of adding such an explanation, you did not throw the letter itself into the fire, or that, at least, you did not imitate the candour of the writer of the story of my grandfather "*Waverley*," who honestly entitles the last chapter of

his work, "*A Postscript which should have been a Preface.*"

I have heard of a worthy Highland Gentleman, who, having a favourite servant dangerously ill, sat down to write to the surgeon of the next town to desire his immediate attendance; but as the Laird was no very expert penman, the poor patient happened to die during the concoction of the epistle. This event, of course, so changed the state of the case, that our intelligent friend thought right to add a postscript to say "Donald is dead, and you need not come;" and with this well considered missive, a messenger was dispatched to the Doctor's residence, which luckily happened not to be above twenty miles off.

But, without dwelling further on the erroneous statement of your letter, and the inaccurate explanation of the postscript, let us suppose, as is I believe the fact, that the Government never for a moment contemplated any change with regard to Scotland, either *immediate*, or *within six months*, but merely expressed an opinion that some such measure as that which

is to come into effect in England in three years, may be advantageous to Scotland at the end of six or seven. What then becomes of your favourite quotation of "*experimentum in corpore vili*," when it is clear that the *experiment* is to be first made upon honest John Bull himself, and that the operation is not even to be commenced in Scotland until it shall have been fully tried and absolutely completed in England!

I am a little at a loss how to correct the misinformation upon which this part of your letter is founded.

I hope you will not be angry if I say, that the errors into which your informant (whoever he is) has led you are so numerous and complicated, that it were tedious to mention all, and difficult to select the principal. Indeed, I may say with *Rosalind*—"There are none principal, they are all like one another as halfpence are—every one fault seeming monstrous till its fellow comes to match it;" but, I shall endeavour to satisfy you, or at least our readers, as to a few of them.

And first, let me observe upon your indignation, that there should be *any legislation at all* on the subject of Scottish bank-notes—a monstrous intermeddling with Caledonian concerns, which never could have occurred to any man's mind except our State quacks, who would force Scotland to swallow this bitter pill, merely because it happens to be necessary for England.

Again, my dear Malachi, I must give you the trouble, and I fear the pain, of turning to the statute-book, where, I have no doubt, you will be astonished to find, that, in the very heart of the good old times,—viz. in the year 1765,—an Act of Parliament was passed, making the most important changes in the whole paper currency of Scotland, and even destroying "at one fell swoop," the greater part of the circulation, viz. all Bank-notes under twenty shillings, which, I have heard my grandfather say, was, at the time, the only circulating medium in Scotland. This calamitous extermination—this massacre of the little innocents—broke, as our family tradition runs, poor old Mac Wheeble's heart—he never looked up, good man,

after the loss of these paper shillings, although there were those who pretended to think that eighty years which had past over his head, and the quantity of Luckie Maclearie's Usquebaugh, which, during the whole period he had poured into it, might account for his decease on less patriotic principles. It is certain, however, that our worthy Baillie deeply lamented the change. He would expatiate by the hour on the advantages of an *exclusive paper currency* —he would ask, what else but the plenty of the *wee-bit* notes enabled the Laird's tenants to pay their rents, and the shopkeepers of Tully Veolan to drive their little trade? As to *silver*, he said it was an expensive article for a poor country to deal in—that he had heard tell that the Southrons had shillings and sixpences of that over-precious metal, nay, even *siller groats, and twal'pennies. They* might, for ought he knew, be able to afford such costly luxuries, but it would be the ruin of poor old Scotland, and he would add, significantly, that the silver dirk of 65 would be found more fatal than the iron blades of the woeful 45. [Indeed, I ought

to say that the marriage of my grandmother, and the birth of my father, had a little counterbalanced in Mr. M'Wheeble's mind the other consequences of the latter celebrated year.]

I cannot discover among M'Wheeble's reasons any one which you might not equally apply to the alteration now proposed, nor in your's any which would not have suited his case. But I allude to *this act* more particularly at present, for the purpose of observing, that *it* is the *first* legislative interference which I can discover with the paper currency of any of the three parts of the United Kingdom; so that Scotland, instead of complaining that she is to be dragged at the tail of England, was really the first to introduce these innovations; and it seems that there was no *English* interest to prompt this Bill, for it was introduced by the Lord Advocate Miller, and five other Scottish Gentlemen of weight and consideration, at the instance, and on the recommendation, of some of the principal Scotch Bankers, who had themselves at that time begun to discover (as perhaps their successors will do bye and bye,) that the circulation was in an unhealthy state.

You ask whether "you *argue* your cause too "high in supposing that the intended legisla- "tive enactment is as inapplicable to Scotland, "as a pair of elaborate knee-buckles would "be to the dress of a kilted Highlander." Allow me to reply, that I do not see any very *high* rate of *argument* in this knee-buckle illustration, but such as it is, I answer it, by referring to the Act of 1765, and by suggesting that the *gold* knee-buckles offered by Lord Liverpool are a great deal more valuable, and not less applicable, than the *silver* knee-buckles which constituted the donation of Lord Advocate Miller.

This Act of 1765, with many subsequent Acts, which I need not detail, affords a complete answer to all that part of your letter which insists that the intended alteration is *contrary to law*, and a direct infringement of the Treaty of Union. But I have a word or two more to say to you upon the manner in which you quote the article of Union on this point.

You tell us that you never saw that document, and that you have learned the article in

question from the recitation of your grandfather. I shall show you, I think, that the poor old gentleman, notwithstanding his pretensions to accuracy, had a very treacherous memory. The Article of Union, *as you quote it*, is as follows: —"That the laws in use within the kingdom "of Scotland do, after the Union, remain in "the same force as before, but alterable by the "Parliament of Great Britain, with this differ- "ence between the laws concerning *public* "right, policy, and civil government, and those "which concern *private* right; that the *former* "may be made the *same* throughout the whole "United Kingdom, but that no alteration be "made in laws which concern private right, "*excepting for the evident utility of the subjects* "*within Scotland.*"

Let us for a moment suppose that your grandfather quoted the article in question fairly; still, I do not see how it can be made available to your argument. Is it possible that you can pretend to argue, that a Bill to regulate the currency of Scotland, and to assimilate it, in due time, with that of the rest of the United

Kingdom, does NOT CONCERN PUBLIC RIGHT, PUBLIC POLICY, NOR CIVIL GOVERNMENT; but that, on the contrary, this great affair, which you hold to be of such *general, vital, and national*, importance, is merely a matter of PRIVATE *right!*

You have certainly fallen into this absurdity; and it is so manifest a one, that I do not think any further observation of mine necessary to persuade you out of it; but I have a more serious charge to make against you, or your grandfather, namely, that you have between you, been guilty of a very extraordinary error, in regard to this same article of the Treaty of Union.

It would, I think, be well for the credit of your grandfather's *memory*, if, indeed, the Treaty of Union were as little known to others as it is to you; and I think you will be surprised to hear, that, while the old gentleman affected, with such pretensions to accuracy, to recite the 18th article, he (God knows why,) suppressed the first, the leading and most important, sentence of the article, namely, *that the laws concerning regulation of* TRADE, CUSTOMS, *and* EXCISE,

be the SAME *in Scotland, from and after the Union, as in England.*

Now, as nine-tenths of your pamphlet are employed in asserting the folly and even the *illegality* of assimilation in matters connected with *trade, customs*, and *excise*, it is exceedingly unlucky that these words, which stand in *the very front* of the article, should have so unaccountably slipped the old gentleman's memory. If *you* had been apprised of them, it is clear that your letter never would have been penned; and, I dare say, so extraordinary a suppression will remind you of the celebrated one of that candid reasoner, who attempted to prove from Scripture, "*that there was no God*," by *only* suppressing the first words of the sentence, "*The fool sayeth in his heart.*"

As I have been so fortunate as to discover the act of 1765, and to supply the *hiatus* which your "poor old grandfather" made in the Treaty of Union, I am satisfied that you must agree with me, that I have swept away all the objections (which, in ignorance of those enactments,) you raised to the *legality* of the proposed measures.

I shall now proceed to explain what I consider the unsoundness of most of your objections to the *policy* and *expediency* of an assimilation of the Scottish and English currency.

And first, let me again revert to the Treaty of Union, the 16th article of which enacts, that "the *coin* shall be the same throughout the United Kingdom," and another article provides, "that a public equivalent shall be made for any "losses which private persons may sustain by "*reducing* the coin of Scotland to the standard "and value of the coin of England."

These provisions prove, beyond all question, that the framers of the Union admitted and established, both in *law* and *policy*, the *principle of assimilation*, and we have seen, that when, in process of time, a deviation from a similarity of currency took place in Scotland, the Imperial Parliament of 1765 stepped in to remove the most prominent difference.

And on *general* principles, I hardly think that even you will deny that this was good policy; but you say, that Scotland stands in circumstances so peculiar, as to exempt her

from the rules which ought to govern all the rest of the world.

You appeal, with absolute confidence, to the prosperity of Scotland, which has grown up under the facilities of *credit*, supplied by the unlimited issues of the paper of the numerous Scottish Banks.

> These reasons (quoth the Knight), I grant
> Are something more significant;
> And yet, they're far from satisfactory,
> T' establish and *keep up your factory*.

I have no doubt whatsoever, indeed, I have personal experience, of the increased and increasing prosperity of Scotland, and I admit that the paper currency may have afforded the capital by which much of this good has been operated; but can any one doubt, that, during the suspension of cash payments in *England* and *Ireland*, advances in prosperity, similar in their nature, though different, perhaps, in their degree, have been made by these countries respectively.

Such a system is specious, and even splendid, but is it *solid?* In England, we think *not*—nay, we think that experience has *proved* that

it is not; and, although it was urged with sufficient pertinacity, and, indeed, not denied in principle, that our gigantic exertions in war, accompanied by such an enormous advance in domestic industry and visible wealth, could not have been achieved without the elastic assistance of a paper currency, yet it has been thought right, and with an almost universal approbation, to return—even at considerable expense and inconvenience—to a metallic circulation in England.

I know not whether an account of the catastrophe of that architectural wonder, the tower of Fonthill Abbey, has reached you. I think it a not unapt illustration of the effects of a *mere* paper system. Nothing was more splendid, nothing could look more solid; it had stood many winters, and had weathered tremendous gales; it wore the character, too, of antiquity, and allied itself harmoniously with the lower and more solid parts of the domestic residence; but, *mole ruit sua*, and in one night, in weather of no unusual violence, the wonder of Wiltshire was levelled to the dust.

We, in England, have (I hope in good time), seen the danger of this extravagant overbuilding, and we are anxious to exchange for the *solidity* of a metallic foundation, the airy and precarious pinnacles into which a paper currency had enabled us to raise our commercial fabric.

I confess that I cannot see any real, or essential difference between England and Scotland on this point. You, I know, will say, that the Scotch Banks are *all solid*, while the English private Banks are less to be relied upon; but, supposing your opinion of the English provincial Banks were correct, surely the solidity of your Scotch Banks cannot be put in competition with that of the *Bank of England*; and yet it was against the notes of the *Bank of England*, that the Bullion Report, and all the measures which followed it, were specifically directed.

But we now approach the main practical point of the case.

Are your Scotch Banks in reality so solid? This is a delicate question, and one which, I am sorry, that you, and those who agree with

you, have stirred, and stirred with so much pretension, as to make it a necessary ingredient in even the most cursory consideration which can be given to the subject.

I shall deal with it as tenderly as I can. I begin by admitting—and that is as much as I suppose can be asked of me—that the Banks, and the individuals which compose them, are *abundantly opulent*, and possessed, *in the aggregate*, of property sufficient to answer all the engagements they may make. I further admit, that such a foundation is quite solid and sufficient for the general business of trade, and for all the higher transactions of commercial intercourse; but on the other hand, I would ask, what defence do they afford against an *unreasonable* panic, which in matters of paper currency, is the evil most likely to occur, and most necessary to be guarded against? In the late panic in London, firms, possessed—not merely of lands and hereditaments, and such-like inconvertible property, which you represent as being the most satisfactory foundation of the credit of the Scotch Banks—Firms, I say, possessed of *Stock* and *Exchequer Bills* to more

than the amount of their engagements, were unable to convert them into cash for immediate use.

You say that only two or three Scottish Banks have failed in a long series of years. I admit the fact, and might say something of the apologue of the *pitcher and the well*, but I think I can, without the aid of allegory, explain the causes, and consequently, the precariousness, of their exemption from accidents of that nature.

The first cause of their uninterrupted credit is, no doubt, their positive wealth, and the great stake which the partners visibly have in the country; but this cause, as we have just seen in England, is not conclusive against a *panic*.

Sors *hodierna* mihi, *cras* erit illa tua!

The second, I take to be, that the Scotch Banks *hold together*—that, conscious that not one of them could stand, what is called in England a *run*, they help one another for the sake of what is a *common cause*. When a run takes place on a

Bank in Scotland—how is it met? By paying their notes in *specie?* If that were the case, you might well boast of the stability of the Scotch Banks. But I fancy that no such thing as a payment in coin was ever heard of. The threatened Bank glorifies itself if it is able to pay its notes by the notes of one of its neighbours, and thus, by a mutual interchange of support, two Banks, which were objects of suspicion in their respective districts, might weather the panic by the help of the notes of each other; and if their proximity should happen to throw any disfavour on this operation, they need only have recourse to some more distant correspondent, whose paper should happen to be in full credit.

This, as I conclude from facts supplied by yourself, is the real cause that there has been no loss by the failure of any Scottish Banks. In the case of the East Lothian Bank, which seems to have failed, and of another provincial Bank, which was "*in the predicament of suspicion,*" you say, that other respectable houses

" took up and paid all their current engage-
" ments, *without check to the circulation* of their
" notes, or inconvenience to rich or poor;" and,
proud of these " modern instances," you ask,
" what must be the stability of a *system of credit*
" of which such an universal earthquake could
" not displace or shake even the slightest indi-
" vidual portion?"

I answer, my dear Cousin, that what you describe is not a system of *credit*, but of *necessity* on the part of the public, and of *mutual insurance* on the part of the bankers. Can that be a healthy system of paper circulation which is not even *checked* by the *actual failure* of the issuers? Can that be a healthy system, when other bankers find it necessary *for their own sakes* (I suppose such acts are never voluntary or gratuitous) to assume, in a moment of great alarm and peril to themselves, the engagements of a neighbouring *bankrupt*?

Thus the very facts on which you rest your opinion of the stability of your system, convince me, " that there is something *rotten* in the state of" Scotland; unless, in addition to all the

good qualities which you, no doubt, justly ascribe to Scottish bankers, you are prepared to add the hitherto-unheard-of generosity of being just as willing to pay the debts of other people as their own.

As long as this confidence exists, and the public is satisfied with this kind of joint-stock security—as long as the ice continues strong enough to bear you—all is well, and your operations glide along with smoothness and rapidity. But if an unlucky accident should happen; if one or two should fall in, is it possible to calculate how many they might drag after them, or what numbers might perish in their attempt to save the original sufferers?

And who can pretend to say *when*, or *whence*, a general panic may be excited? such a panic, I mean, as should affect any considerable quantity of the paper circulation, and occasion a serious run on several of those banks *at once*; and who, still wiser, can foretel what the disastrous consequences of such a panic might be?

The holder of the larger notes would probably have no apprehension as to their *ultimate* pay-

ment; and he might be able or willing to await the convenience of the bankers, or the conversion of their landed properties into cash; but all the ordinary operations of life, which are provided for by the one-pound notes, would be suddenly arrested—Buying and selling, in all the details which support human society, and even existence, would be suspended—the great mass of the people, whose wealth is solely composed of one-pound notes, would be reduced to *sudden beggary*;—thirst and hunger cannot wait the slow process of a *sequestration*;—and it would require the pen of the GREAT UNKNOWN himself, to picture the scenes of starvation, turbulence, and misery, which might, nay, which must, ensue during such a crisis.

To say that such an appalling catastrophe is within the verge of *possibility*, is to prove that it is the duty of a wise Government to take precautionary measures against it. No Government can—and no wise Government will attempt to—regulate matters of commercial credit and confidence between parties capable of judging of their own interests, and of making

a voluntary option as to the degree of confidence they will give. But, with a circulation *exclusively* of paper, and composed of such very minute parts as notes of twenty shillings, the mass of the people accept them *from necessity, and not from confidence.* What is *credit* in the higher classes, is mere *credulity* in the lower, and that credulity which for years may have given currency to a small note circulation, may in a *few hours* overturn it.

These considerations, founded on general and immutable principles, have, I suppose, induced the Government to interfere with the small note circulation of England, and they apply, in my opinion, with equal force to Scotland.

The mode in which the Scotch banks have established this monopoly, and the way in which it operates, under the specious title of *cash credits*, upon which you dilate with so much complacency, are worthy of a little further explanation.

What is called a *cash credit* in Scotland (like *lucus à non lucendo*; because there is *no cash* to

be seen in any part of the transaction) is managed in the following way:—

A merchant, shopkeeper, or tradesman, goes to a banking-house with two sureties, who become answerable to the bank for his engagements to them; upon which the bank gives him a credit in their books to a certain amount, according to their opinions of the solvency of the *borrower* (for such he is), and the sufficiency of his bondsmen. Upon this credit the tradesman draws on the banker, who pays the draft by the issue of *his own notes*, and for all his advances charges the borrower with the legal interest of five per cent.; or, in other words, the Scotch bankers receive five per cent. for a handful of paper, which it does not cost them a farthing to create, and for the future payments of which, in specie, they need be at no expense in making provision.

This explanation will also account, in a great measure, for the *unanimity* with which, you tell us, *all* Scotland opposes the intended alteration. I dare say all the bankers (who are in number about 1200), and all the persons whom they

accommodate with this kind of loan, will oppose any change; but I appeal to every man who has any clear or just ideas of commercial credit, whether a SYSTEM OF ACCOMMODATION BILLS (for that is the right name), which is considered unsound and discreditable in every other country in the world, can be safe and honourable in Scotland.

It is evident, from the foregoing explanation, that the most effective checks which operate to prevent the *over issue* of an English local Bank, are all wanting in the case of a Scotch one. The notes are issued without value in the first instance—they may be forced into circulation to any amount the Banker pleases, for he never, I suppose, can want borrowers—they are kept in circulation as long as possible, for the sake of the interest—and when, finally, the fragility of the material forbids its further circulation and it comes back to the Bank, it turns out to be your *true Phœnix*, which arises again from its own ashes, and takes a new flight as bold and as extensive as its *lately deceased self*. But take care that the day may not come when

you may hear from a hungry populace the same importunities with which one of the too liberal lenders of antiquity was visited—

> Immediate are my needs; and my relief
> Must not be toss'd and turn'd to me in *notes*,
> But find supply immediate. I do fear,
> When every *feather sticks in its own wing*,
> Lord Timon will be left a naked gull,
> Who *flashes* now a *Phœnix*.

I repeat, that I myself have no doubt of the *ultimate* security of the Banks of Scotland in general. I apply my observations, as the Government, I presume, intends to apply its remedy, to those "*depositaries of panic*," the One Pound Notes, and "the giddy multitude."

Perhaps the Bankers may think that even these observations of mine may be dangerous. I might, in reply, administer to them the terrific consolation which Garrick addressed to Goldsmith, on seeing the latter discomposed by some slight criticism on a scene in one of his plays. "Pooh, pooh, man! How can you "mind a squib, who have been sitting all this "while on a barrel of gunpowder." The object, I believe, of the Government, and cer-

tainly my own, in taking a part in the discussion, is to remove, with due care and circumspection, and with as little danger as possible, the materials which might cause so tremendous an explosion.

This leads me to another, and by no means unimportant, consideration. You argue this question, as if it was *exclusively a Scottish* one, in which England has no *direct interest*, and can only be guided by the silly vanity of extending her own system into the Sister Country; and you illustrate our conduct by that of a crazy Scottish Laird, who was in the habit of forcing one of Anderson's pills down the throat of every guest who visited at his house.

I must confess that, however I may have complained of the unfairness of any of your arguments, I cannot but applaud the *candour* and national impartiality of your jokes; for every illustration which you have given of our English errors has been the recital of some Scottish absurdity.

But admitting, for a moment, that England had no direct interest in the welfare of Scot-

land, would it not be a more accurate illustration, *if we needs must have a medical one*, to compare us—not to a cracked-brained humourist, who would cram his physic down the throats of those over whom he has no authority, or guardianship,—but to a prudent parent, who, having successfully vaccinated one of his children, is anxious also to place the others beyond the risk of infection.

But I say, that England, besides her general duty to the other parts of the empire, *has* a direct interest in this matter. You forget that the Picts-wall no longer exists, and that if you set fire to your stubble, the flames will soon invade ours; and, to return to Garrick's metaphor, that you cannot explode a barrel of gunpowder without doing so near a neighbour almost as much injury as yourself.

One of your arguments, why England should not interfere with your concerns, is, I admit, a strong one, but unluckily, it happens, I think, to be strong, *just the other way*. The circulation of the Scottish Bank notes is, you say, "free and unlimited—they pass without a

" shadow of objection through the whole limits " of Scotland, and are current nearly as far as " York in England." I am so candid as to be willing to help this argument a little further; for, on my return from Scotland, in last autumn, I found that the Scottish notes were accepted, at least, one hundred miles South of York. But, since this is the case, and since Scottish notes form some considerable part of the circulation of the Northern counties, I take leave to ask, with additional confidence, has England not a clear *right*—nay, is she not bound by an imperative *duty* towards *her own subjects*, to take care that they are not made the victims of Scottish inroads which, though not so bloody, might be much more extensively calamitous, than the border invasions of the freebooters of old?

This objection may seem, at first sight, to be a slight, or at least, a local one; but on consideration, I think you will find it to be of immense *practical* importance. I suppose you will readily admit that if we prohibit the circulation of all English small notes, even those of the Bank of England itself, we cannot allow

the existence within England of the small notes of Scotch Bankers; and by what means, if permitted in Scotland, are they to be excluded from Northumberland? Are we to rebuild the Pictish wall, and have a Custom-house at every gate?—or are we to make *highly penal* the passing a note on one side of an imaginary boundary, which we sanction as *highly advantageous* on the other? Pray look a little into the *practical* details of this part of the subject, and let us see whether any other mode could be devised of preventing endless confusion and difficulties, than that which, in the spirit of the Act of Union, our Ministers intend to propose, namely, "that the coin and currency of England and Scotland should be the same," and that "the regulations which affect trade and commercial credit should be assimilated throughout the United Kingdom."

I now conclude. I persuade myself that there is so much reason in what I have said, that you will not—that you *can* not, on a cool reconsideration, essentially differ from my general conclusions, and I hope that I have not

been betrayed, either by the tone of peevishness, which here and there marks your letter, or by the warmth of my own argument, into any expression inconsistent with a feeling dear to my heart—the respect and affection, which I entertain for that admirable, and, (though his descendant, I will venture to add,) illustrious person, to whom we are both indebted for our names and existence.

I am,
Dear Malachi,
Your affectionate Cousin,
E. Bradwardine Waverley.

POSTSCRIPT.

I have just seen your *second* and your *third* letters, but as they add nothing new to the *principles* of the questions which we have discussed, and as it is a tedious, and generally fruitless, labour, to argue about *details*, I am not, in my present temper, inclined to make any observations upon them. If what I have said in these two letters of mine be well founded, your subsequent epistles are, in their main points, answered by anticipation; and if I have not already been successful in making some impression on your mind, I fear the case is hopeless, and that your conversion is not to be operated by consanguineous persuasion.

E. B. W.

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THE

LATE PROSPERITY,

AND THE PRESENT

ADVERSITY OF THE COUNTRY,

EXPLAINED, &c.

THE

LATE PROSPERITY,

AND THE PRESENT

ADVERSITY OF THE COUNTRY,

EXPLAINED;

THE PROPER REMEDIES CONSIDERED,

And the comparative Merits of the

English and Scottish Systems of Banking

DISCUSSED,

IN A CORRESPONDENCE BETWEEN

SIR JOHN SINCLAIR AND MR. THOMAS ATTWOOD.

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"It is then written above, that we shall now commit nothing but errors."
Napoleon, on his retreat from Moscow.

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INTRODUCTION.

ON the 12th December, 1824, Sir John Sinclair wrote to Mr. Attwood, congratulating him on the prosperous state of the country, and on the disappointment of their mutual predictions, that the ancient Metallic Standard could not be restored without occasioning universal misery and distress. The ancient Standard had been then in operation for near two years, viz :—from May 1823, at which period, every Debt, Tax, Rent, Contract, and Obligation, had become payable by law, in solid gold, at the rate of £3 17s. 10½d. of money, to the ounce weight of gold. The National Debt had thus been made convertible *by law*, into EIGHT THOUSAND TONS OF SOLID GOLD; and the private debts, existing between man and man, had also been made convertible *by law*, into at least EIGHT THOUSAND TONS more of SOLID GOLD! Here was SIXTEEN THOUSAND Tons of Solid Gold, which the nation had bound itself to produce and pay, although so much gold *did not exist in Nature, either above the Earth or under the Earth*!! The principal of the National Debt, it is true, was redeemable only at the national convenience; but the *Interest* was payable annually at the same ratio; and every private debt in the kingdom was payable at once and in full, after the rate of one ounce of Gold to every £3 17s. 10½d. of Debt; and the same was the case with reference to the prices of all property and of all labour. Against the justice, the policy, the utility, and the possibility of this, Sir John Sinclair and Mr. A. had repeatedly remonstrated, and it was upon seeing these opinions apparently controverted by the then prosperous state of the country, that the former had written to the latter to congratulate him on the disappointment of their mutual predictions.

LETTER I.

FROM MR. ATTWOOD TO SIR JOHN SINCLAIR, ON THE CAUSES WHICH HAD PRODUCED THE THEN EXISTING PROSPERITY OF THE NATION.

Birmingham, February 23, 1825.

DEAR SIR,

I have been so excessively occupied with public and private business of many kinds, that I have never until now been able to find a single hour to reply to your esteemed letter of the 12th of December. I rely upon your liberality to excuse me. I might have acknowledged the receipt before now, but I was desirous to reply fully to your observations, because they are important.

With regard, then, to the present *prosperity* of the Country, I acknowledge it, and rejoice in it; and I assure you, that I do not rejoice the less, because it tends, in some degree, to overturn in the public mind the theory which you and I have supported. It is sufficient for a good man to know that his Country prospers.—Whether it prospers by his own counsels, or by those of others, is a mere trifle. It is a question which can only be important to men, whose vanity is stronger than their intellect, or whose selfish feelings out-weigh their generous affections.

For myself, therefore, content to see things as they are, I have no desire to interfere with the prejudices and opinions which have obtained in the public mind. I have seen the ruin sweep by me year after year; I have seen thousands hurried to destruction, and hundreds to untimely graves. I now see as clear as I see the pen in my hand, that nothing but *a change in the Government measures,* has saved the Government from *Anarchy and Revolution.* But if national policy forbids this great truth to be acknowledged, (which I expect it does), I am content to let it sleep for ever; or to awake only when the national interest requires, or when the public mind is ripe for its reception.

When I say,—"*nothing* but a change in the Government measures," I ought to make one exception, and to allow, that the fortuitous action of South American affairs, has tended much to confirm and substantiate the measures of the Government. Lord Castlereagh found that he was wrong, and he died of a broken heart. But it was not the prosperous external affairs of his country which destroyed him. It was the unmeasured and unmitigated *ruin which he saw at home.* I know that he saw it; and I may almost say, I know that it killed him.

The real truth is, that for the last two or three years, Government have been acting upon *precisely opposite principles* to those which they had acted upon for seven years before. I will name a few of their measures

which have hitherto been seldom noticed, but which have had a prodigious effect in producing the present state of things. I consider them *all* as the measures of Government; because it is reasonable to believe that the Bank of England, which has been the ostensible agent in most of them, would not have acted in the way it has done, without the previous instigation and protection of the Government.

In the first place then, the Government has passed an Act, *legalising the issue of £1 notes for eleven years! !*

In the second place, they have passed an Act to borrow two millions per annum, for about 20 years to come, *from the Bank of England*, for the purpose of paying the pensioners of the Army and Navy, and this annual sum of two millions they have consented to borrow from the Bank at 5 per cent, at the very time when they could have borrowed from the public at 3½ per cent ! !

In the third place, they have induced the Bank of England to lend four millions sterling upon *mortgage* to the Landowners, at 4 per cent. interest.

In the fourth place, they have induced the Bank of England to lend two millions to the East India Company, at 2½ per cent.

In the fifth place, they have induced the Bank of England to lend money to the *Fund owners* upon the *mortgage of Consols*, at the rate of about £75 sterling to the £100 Consols; and when last I had the opportunity of enquiring into the subject, I had reason to think, that between two and three millions sterling had been advanced by the Bank in this way.

Here are five gigantic measures, all calculated to have an immense effect upon the Circulating System of the country; for although the Bank of England notes are not now in reality *legal tenders*, yet I will venture to say, that even among *well-informed* men, not *one in a hundred is yet informed* of this great fact. They have been bred up under the idea of the Bank Notes being the same as the coin of the realm, and nothing short of a miracle or a *thunderbolt*, can at present erase this impression from their minds.

It is not necessary for me to recapitulate the various minor measures, all tending to the same effect, viz—to the increase of the Circulating Medium; I might otherwise bring forwards the discount by the Bank of three months' Bills; the discount of *irregular* Bills; and the discount at 4 per cent. instead of 5 per cent. These are mere matters of course, which follow in the train of the gigantic measures which I have alluded to above.

The evident effect of all these things, however,

has been to *force* and increase the acting Circulating Medium of the country. The Bank of England Paper has been kept out nearly to the same extent as during the War, and it has possessed nearly the same power in the public mind. In addition to this, the South American Bullion has been poured into the country. Seven Millions Sterling per annum, which for two hundred years had gone to *Spain* in payment of *tribute*, for the last three years, has come to *England*, in payment for *British Manufactures!!* The Paper and the Bullion are thus *increased together*; and the *mutual depreciation of both*, prevents that of either from being visible to the public eye. We are at this moment in the very same situation as we were in the year 1796. The discontinuance of the use of a Coinage in France, had then thrown upon England the very same increase of Metallic Circulation, as has latterly been occasioned by the emancipation of the South American States; and Mr. Pitt's measures in 1796 had, at that time, produced the very same effect in increasing the Paper Circulation, which has latterly been produced by the action of the Government upon the Bank of England.

Hence all the *prosperity* which we now see. The measures of the Government combined with the emancipation of the South American States, have filled the Country with what is called *Money*; and this *plenty of Money* has necessarily produced a general elevation of prices; and this general elevation of pri-

ces has necessarily produced a general increase of *profit* in all occupations; and this general increase of *profits* has, as a matter of course, given activity to every trade in the kingdom; and whilst the workmen, in one branch of trade, are *producing* one set of articles, they are inevitably *consuming* an equal amount of all other articles. This is the *prosperity of the Country*, and there is no other prosperity which ever has been enjoyed, or ever can be enjoyed.

The present prosperity of the Country, is indeed to be attributed to one cause only, and that cause is the general increase of the Circulating Medium. This increase has been effected by the *Stimulating System*, upon which the Government has acted with the Bank of England for the last three or four years; and by the increased importations of Bullion from the South American States. Let the Government drop this *Stimulating System*, or let the current of the Spanish Minerals be turned into other directions; in either of these cases, universal depression would immediately succeed to universal confidence, affluence, and prosperity. The Country would again be struck with a strange *paralysis*, like that of 1816 and of 1819. All manner of strange *anomalies* would again present themselves; and again the *Radicals* and *Blanketeers* would shake the foundations of the Government.

I consider nothing upon earth more certain than this. But I also take it for granted, that his Majesty's Ministers understand this subject *now;* and that they are prepared to give us again "The *Bank Restriction Act,*" whenever the day of trial comes.

If they are not prepared for this—If they have launched the Country into the ocean of *Paper Credit* and *high prices,* without being prepared to sacrifice the *Metallic Standard* altogether, if necessary; then in my judgment, they have committed the happiness of the People, and the safety of the Crown, upon principles as baseless as the winds.

I remain, with sincere esteem,

My dear Sir,

Your faithful humble Servant,

THOMAS ATTWOOD.

To the Right Honourable Sir John Sinclair, Bart. &c.

LETTER II.

FROM MR. ATTWOOD TO SIR JOHN SINCLAIR, ON THE CAUSE OF THE *LATE PANIC*, AND ON ITS CHARACTER AND MODE OF OPERATION.

Birmingham, December 27, 1825.

DEAR SIR,

In my letter of the 23d of February last, I endeavoured to shew that the then existing prosperity of the country was entirely owing to the increased circulation of money which had been brought into action by the operations of the Government upon the Bank of England, and by the importations of Bullion from South America. I also expressed a conviction that the most disastrous consequences would ensue to the country if Government should discontinue their operations upon the Bank; or if any circumstances should arise to occasion an exportation of Bullion. These disastrous consequences have since come upon us suddenly and secretly, and in a way calculated to appal the stoutest minds among us. I think, therefore, that it will not be ill-timed, if I now take the liberty of explaining more fully in what manner such disastrous consequences have arisen, and what must be their probable action in the end. Born and bred up in the very midst of the Paper System, and having the opportunity of watching closely its nature and

its operation, you will not, I am sure, accuse me of vanity, when I assume, as it were, a personal acquaintance with subjects which statesmen may have omitted to notice, through the mists and delusions with which distance environs them.

There can be no doubt then that, in *February last,* the country was *prosperous.* All agriculture, all trade, and all manufactures, gave to the active classes of the community a reasonable profit for their labour and capital employed; and whilst one set of men in each occupation was *producing* one set of commodities, the same set of men were inevitably *consuming* nearly an equal amount of all other commodities. In whatever degree their mutual productions exceeded their mutual consumptions, such surplus diverged itself into expenditure in the shape of profits, taxes, or investments, or remained in the shape of *Stock* to augment the national wealth. What was it that constituted this happy state of things? It was, that the *general mass of money* in circulation had been so far increased, as to cover, in its action, a range of *general prices* sufficiently high to give a *general profit* in the production of all commodities. Until this increase of money had been effected by the operations of the Government above alluded to, the range of *general prices* fell below the *general range* of the expenses attending the production of commodities, and thus all production was stagnant; or if active, it was only made so, by the ruin of the producers. In

fact, the industry of the country was *throttled*. The *increase of prices* consequent upon the *increase of money* released the industry of the country from its *thraldom*. Every thing presented a scene of profitable activity; and Government had the satisfaction, as Mr. Robinson expressed it, of "Dispensing from "the ancient portals of a constitutional monarchy, the "blessings of plenty and contentment throughout the "land."

Observe, now, how this happy state of things has been changed. The whole of this melancholy change will be found to originate in the attempt to enforce the ancient standard of value; or in other words, to render *every* £3 17 10½d. *of Debt, Tax, Money, or Obligation, convertible by law into an ounce weight of Gold!!*

The general range of prices which had been raised as above described, to about the *War level*, being all measured in Ounces of Gold, at £3 17 10½d. of price to one ounce of Gold, the consequence was, that Foreign Nations began to purchase less of our manufactures and commodities, and thus our *exports* began to fall off *comparatively*; but at the same time, being tempted by the high *real prices* which their commodities sold for in England, they began to sell us a greater *comparative* quantity of such commodities, and thus our *Imports* were increased. In the last year we imported four millions sterling

more *Cotton* than usual. The *Balance of Trade* as it is called, was thus thrown against us, and instead of having many millions per annum of *Bullion to receive,* we have latterly had many millions of *Bullion to pay.* This drain of Bullion from England has now been going on for about two years, and although counteracted for a moment, by the shock in the Money Markets, it must naturally go on until our general range of prices falls again to the level of 1816 and 1819. It was known to exist for some time, and indeed might have been assumed as a matter of course, but I believe it was not publicly exhibited until *June last,* when a return was made to Parliament from the Custom House, *shewing an exportation of eight millions sterling of Gold, and of four millions sterling of silver, in the preceding eighteen months!* Nothing was said of the immense sums which were exported without entry at the Custom House, nor of the quantity of *Sovereigns melted by the Refiners,* some of whom I have known in Birmingham to melt 1000 or 1500 per week more or less, for years! The terrible truth of such a rapid diminution of the only *legal tenders* in existence, seems to have slumbered without notice for a few months, and it was not until *September last* that the Bank Directors found it necessary to *diminish their Bank Note Circulation correspondently.* How this reduction of the Bank Note Circulation was effected, I cannot say, but it is certain that it *was effected,* and that it instantly produced that scarcity of money

and that general want of confidence, which have lately produced such dreadful consequences to the country. When the *Bullion Money* left the country, the *Bank Note Money* ought to have been *increased* to supply its place, and then we should have found no diminution of the national prosperity; but the unhappy character of our present position is such, that whenever the Bullion Money leaves us, the Bank Note Money is sure to leave us correspondently at the same time. And can we wonder at the disastrous consequences we have seen? When a *main artery* is opened in the *right arm*, and the vital current is streaming from the unhappy patient, we open another *main artery* in the *left arm!!* And can we be surprised that instant paralysis or death ensues? Is it not certain that the tremendous consequences which we have witnessed in the last three weeks, must be the inevitable result of the *double ruin* which has thus been set in rapid and simultaneous action? Suppose a Thousand Millions sterling of Debts and Obligations to exist in the Nation between Man and Man, and that a certain given proportion of such Debts is required to be discharged daily. Suppose the nation to possess twenty millions of Gold Coins as *legal tenders*, and twenty millions more of Bank of England Notes, which in the public estimation have the moral force of *legal tenders*. Suppose, then, ten millions of the Gold Coins to be exported, leaving only thirty million of Gold Coins and Bank Notes in circulation. Is it not evident that *one fourth*

of the usual proportion of *Debts* required daily to be paid, must go *unpaid*? And if at this critical period, the Bank of England should also reduce its circulation of Bank Notes, is it not equally evident that a general *crash and ruin* must instantly take place among all *Debtors*, and that a general terror and alarm must instantly take effect among all *Creditors*? *Panic* is said to have been the *cause* of the terrible convulsions, which yet agitate the whole mass of monied obligations. Is there not ground for *panic* when the money of the country becomes unequal to the duties which it has to discharge, and *is no longer able to meet the mass of monied obligations pressing upon the money for payment?* A fact of this kind once found out in the practice of men creates immediately a general *scramble* for *money*, throughout all classes of the community. All rush upon their *Debtors*, some animated by fear, and others urged by their own necessities, and in their blind eagerness to escape general calamity, all precipitate the *general ruin*.

This is the state of things which the country has exhibited during the last few weeks; and still continues to exhibit, although in a mitigated degree. The evil is stayed for a moment, or rather it is shifted, in some degree, from off the backs of the monied classes upon the country it large; but *it still remains in existence*, and *still threatens the most tremendous consequences to the Nation*. I will take the liberty of

troubling you with one other letter, in which I will endeavour to point out the *character and probable operation of those consequences.*

I remain, with sincere respect,
Dear Sir,
Your obedient humble Servant,
THOMAS ATTWOOD.

To the Right Honorable Sir John Sinclair, Bart. &c.

LETTER III.

FROM MR. ATTWOOD TO SIR JOHN SINCLAIR, ON THE FUTURE OPERATION OF THE METALLIC STANDARD, AND ON THE TWO MODES OF CARRYING IT INTO FULL EFFECT.

Birmingham, January 4, 1826.

DEAR SIR,

The principal object of my last letter, was to explain the *cause* of the late *panic*, and of the present alarm and want of confidence, which so generally prevail. Some people assume that the *panic* was itself a *cause*, and not an *effect* produced by any other cause. They represent it as resembling what the French call "*terreur panique*" which sometimes takes effect in Armies, when the bravest troops are dismayed without any ostensible cause, and rush upon their ruin, in their blind eagerness to avoid imaginary danger. Never was assumption more false than this. Never was there more *real cause* for *panic* than that which existed in England a fortnight ago. If an *earthquake* had opened its gaping jaws in a thousand directions, and had literally swallowed up every tenth man's house throughout the country, no more real cause of terror could have existed than that which was occasioned by the late exportations of *Bullion Money*, being suddenly followed up by a correspondent reduction in the *Paper Money*. The found-

ations of every man's house did, in fact, tremble under his feet. Every *Debtor* in the kingdom was endangered by the impossibility of suddenly discharging his Debts; and every *Creditor* was endangered by the threatened Bankruptcy of his *Debtors*. No capital, no wealth, was a protection to either party. Nothing but the literal *possession of Sovereigns* could guarantee either Creditors or Debtors from the most frightful losses and injuries. How then could we wonder to see every man anxious to obtain them? A reduction of *one half* had taken place in the number of Sovereigns existing in the country. A correspondent reduction had commenced in the Bank Notes. A vast mass of monied obligations was thus left unprotected; for the remaining Sovereigns in existence, could not possibly discharge daily the same quantity of *Debts* which the former quantity of Sovereigns daily discharged. Here then was ample cause of alarm. The unprotected masses of *obligations* began to crumble over our heads. The American Merchants first gave way in London, Liverpool, and other large towns. Then the Devonshire Bankers followed, and soon after some eminent London Bankers were obliged to suspend their payments; and through *their* connexions, the alarm was rapidly propagated through the Country Bankers generally. A general *scramble* for Sovereigns and Bank Notes ensued. The safety of a man was not to be measured by his wealth or capital, but by the prudence and foresight which he had exhibited in *scrambling for Bank Notes in time!* No doubt this general *rush*

or *run* for money, which was set in action, aggravated the evil which it was meant to cure. If the public had been contented to sit down quietly, and to be destroyed *in detail*, one after another, it is probable that the destruction would not have been so general as the late panic threatened to make it; but still it would have been frightful and enormous. *Panic* was therefore, its inevitable result, and that *panic* necessarily continued to increase, until the *cause* which gave rise to it was removed by the increased issues of money. These increased issues of money were certainly driven off to the very last hour at which they could possibly be effectual. In all human probability if they had been deferred for another week, no human power could have prevented a general explosion of all the monetary obligations of the country.

At this critical period, however, the evil *has been stayed*. But the cause which produced it has not been removed. That *cause* still remains in operation, and still threatens the most tremendous consequences to the country. It is right, therefore, to enquire what these consequences will be, and how they will exhibit themselves. If the Government should indeed think proper to abolish the Metallic Standard altogether, or to reduce it greatly by *alloy*, or *diminution of its weight*, or *elevation of its price*; then, indeed, it is certain that this country can have nothing to fear. But assuming that we are still to attempt to persevere in the present Metallic Standard, I apprehend, in that case, a long train of calamities, beginning in

poverty, bankruptcy, and misery, and ending in the most frightful anarchy and revolution.

Assuming, then, that the present Metallic Standard is to be still persevered in, there are, in this case, two modes of proceeding for the Government to adopt. In the first place, they may proceed firmly in the course which they have pointed out, leaving the Bank of England to protect itself, and compelling that Establishment and all individuals to pay their debts rigidly *in Gold Coins*; or in the second place, they may adopt a middle, or temporizing policy, and endeavour to bolster and prop up the Metallic Standard, by the assistance of palliative and artificial measures.

In the former case, it is probable, that we shall very quickly return to the state from which we have so lately escaped. The Bank is said now to have about twenty-eight millions of notes in circulation. From ten to fifteen millions of these notes must be instantly withdrawn, in order to render the Bank Notes as scarce as the Coins in which they are payable, and in order to prevent the renewed exportation of those Coins, by again beating down the prices of property and labour.

This reduction of the Bank Notes will instantly bring back the late convulsions in the Money Markets. Again we shall see the failure of Banks and

other Establishments, the most affluent and eminent in the country. One calamity will follow another in sudden and rapid progression, and after a little while, when *crash* upon *crash* shall have prepared men's minds for a tremendous catastrophe, that catastrophe will inevitably come. The money of the country will not be equal to discharge one hundredth part of the demands upon it; and if men live at all, they will only do so by having recourse to universal plunder. The Bank of England will be compelled to stop payment; but the probability is, that it will not do so, until the general distress and terror have become so great, as to render a Bank Restriction Act, at such a period, perfectly unequal to the mighty task of propping or re-constructing the falling fabrick of society.

If the Government should adopt the middle or temporizing policy; if they should act upon a system of *palliatives*, and should induce the Bank of England to call in its issues gradually and slowly, and in the meanwhile to throw in assistance from time to time, into such quarters, and under such parts, of our Monetary obligations, as are in the act of giving way, yet still the same fate will await us in the end. We shall go to the same ruin, but we shall go more slowly and more painfully. The cause also of our ruin will be more deeply seated, and less visible to the public eye. Instead of dying by a *cannon ball*, we shall die *by inches*. We shall run the race of 1816 and of

1819, instead of meeting the sudden and swift destruction of 1825. But still our end will be the same. If we persevere in compelling every £3 17s. 10½d. of Debt, Tax, Settlement, and Obligation, to be convertible *by law* into an ounce weight of Gold, the consequence must inevitably be a total breaking up of all monied obligations, and of the whole fabrick of Society, which they hold together.

If we look back to 1816 and 1819, we shall see, *as in a glass*, the dangers and the horrors which we have to meet. That is to say, we shall see them in their *commencement*, but not in their *career*. In 1816 they were arrested by the Bank of England issuing Six Millions sterling of more Notes, by a loan to Government *under the Restriction Act*. In 1819, 1820, and 1821, they proceeded slowly and surely until the whole mass of society became contaminated with revolutionary views. In 1822, they were again arrested by the £1 note Act, and by abundant issues of money. At that time, I *proved* in many letters, printed in the Farmer's Journal, that it was certain that *a third catastrophe* would ensue. That third catastrophe is now come, and if Government neglect to apply an early and permanent remedy, all the dangers and all the horrors that we saw in 1816 and 1819, will very shortly be deemed but trifles, when compared with those which we have yet to see.

Suppose then the Government to act upon the temporizing policy as above described. Is it not certain, that in this case, the prices of property and labour generally in England must fall to nearly the Continental level? The Bank of England *must reduce* its issues *generally*, however much it may increase them *locally*. No other way will remain to stop the export, and force the import of gold, but so to beat down English prices, *(whilst Gold remains the same)* that at last, Gold becomes the *least* beneficial article that men can find to *export*, and the *most* beneficial article that they can find to *import*. This is the way in which the process of bringing back Gold to England *at the ancient price* must work. It *must* force back all other commodities to their *ancient prices also*. Here begins the ruin of the system. The debts and obligations cannot be forced back to *their* ancient level. Thus every farmer becomes bankrupt to his landlord, and every landlord becomes bankrupt to his *creditor*, in one shape or other. Every merchant becomes insolvent to his creditors; or at least he finds the losses of his trade are greater than its profits. Every manufacturer finds the prices of his goods fall so low, as to give him a loss instead of a profit; and therefore he contracts his establishments and discharges his workmen, the only possible process through which he can compel them to reduce their wages. The unhappy workmen are thus made *non-producers* on one hand; but they are also made *non-consumers* on the other. A mighty evil is thus set in motion,

which acts and re-acts upon its own elements, until the distress terminates in some great convulsion, or in the increase of the circulating money, occasioned either by the renewed importations of Gold, or by the interference of Government.

The temporizing policy, therefore, gives us no hope of escape from the fate which awaits us. It only procrastinates our misery, without the possibility of relieving it. Every year that it lasts, it brings thousands of heart-broken wretches to the grave. What reparation can we make to these unhappy men? What to the hundreds of thousands of others, who must toil early and late, and reap *ruin* as the reward of their labour? In my judgment it is much better to adopt the *decisive policy* at once; and at once to compel all debts and obligations to be paid in heavy Gold. Much better would it have been to have acted in this way in 1816 or 1819. The injustice and the impossibility of this would then have been evident to all eyes; and the country would necessarily have been placed under the protection of a *reduced standard*, or of a *Restriction Act*. Respecting the comparative eligibility of these two modes of relief, I purpose to trouble you with one other letter.

I remain, with sincere esteem,
My dear Sir,
Your obedient humble Servant,
THOMAS ATTWOOD.

To the Right Honourable Sir John Sinclair, Bart. &c.

ROYAL ASIATIC SOCIETY BRANCH OF THE

LETTER IV.

FROM MR. ATTWOOD TO SIR JOHN SINCLAIR, ON THE COMPARATIVE ELIGIBILITY OF A REDUCTION OF THE METALLIC STANDARD, OR A BANK RESTRICTION ACT.

Birmingham, January 11, 1826.

DEAR SIR,

With regard, then, to the comparative eligibility of the two only modes of relief which remain to the country, I am of opinion that a renewal of the Bank Restriction Act is better than a reduction of the Metallic Standard of Value, for the following reasons.—

A Metallic Standard has no power of accommodating itself to the wants and purposes of society. It has no power of *expanding* or *contracting* the numerical quantity of *legal tenders* in existence, according as the necessities of the community may require. It remains fixed and immovable when it ought to expand. It expands when it ought to contract; it contracts when it ought to expand. In short, it disappoints in every way, in a highly *artificial state of society*, all the ends and objects to which it is well-fitted in a *more barbarous age*. Suppose, for instance, the Metallic Standard to be reduced *one-half*, as in strict justice it ought to be, so as to give about 10s. to the bushel of wheat, and 16s. to the weekly wages of Agricultural Labour. This large reduction of the Standard, and consequent elevation of prices to

the War level, or to about the level which has existed for the last three years, would certainly place the prosperity of the country upon a secure footing, as far as a Metallic Standard can possibly produce such effect. Suppose, then, in our highly artificial state of Society, where such an extreme division of labour prevails, and such an immense mass of monied obligations, of a hundred kinds, must necessarily exist, and where the bulk of such monied obligations must still be founded upon paper, *and be discharged with paper, or not discharged at all:* Suppose, in such a state of things, any slight action upon the Exchanges, or upon the balance of Foreign Remittances, should occur, so as to occasion a temporary exportation of Bullion money, how, in this case, is the Paper Money to be encreased so as to supply the place of the Bullion Money? How, indeed, is the Paper Money to be prevented from contracting and diminishing its quantity correspondently with the contraction of the Bullion Money? The Paper Money, when most wanted, must necessarily disappear as a matter of course. A slight action upon the Exchanges becomes, thus, a mighty evil, producing a general depression of prices, and a general depression of Agriculture, Manufactures, and Commerce.

Take the *converse* of the above proposition. Suppose a slight action upon the Exchanges, or upon the balance of Foreign Trade, to occasion an extra *importation* of Bullion Money, At such a period, the

Paper Money ought to disappear, so as to make room for the Bullion Money, and prevent the temporary elevation of prices, which must otherwise be occasioned. But instead of this, the Paper Money instantly expands, and increases itself with the increase of its means of payment, which the new Bullion Money presents. A sudden and great elevation of prices is thus occasioned, which lasts just long enough to deceive the public mind, and to induce people to contract engagements on the strength of it. It then disappears from under their feet, and such engagements eventuate in their ruin.

What can be more injurious to society than such elevations and depressions of prices, and such changes in the relative plenty or scarcity of money? Do they not scatter throughout the country, with a prodigal hand, *unmerited prosperity to-day*, and *unmerited ruin to-morrow?* Do they not tend to make all business a mere matter of gambling speculation, instead of the regular and sober pursuit of reasonable and moderate gains? And yet these fluctuations are inseparable from a Metallic Standard, in a state of society like ours. We cannot do without Paper Circulation. If we were to attempt this, the consequence would be absolute and universal bankruptcy. If we could indeed shake off the existing engagements of society, and begin again *de novo*, then indeed it is certain that we could do without *Paper Circulation*. But as things are, it is impossible. We have therefore to

consider, whether it is best to preserve it, jointly with a Metallic Standard; or to shake off the Metallic Standard altogether. If we preserve the Paper Circulation *jointly* with a Metallic Standard, then we must at all times expect considerable changes and fluctuations in the value of money, and in the consequent prices of property and labour generally. The Paper Money, like a false friend, will cling around us when we want it not; but in the hour of our adversity it will disappear.

If at any time a foreign invasion of this country should take place, the danger of an immense Paper Currency *all convertible into Gold*, would then suddenly assume a terrific magnitude. But if we were in possession of a *non-convertible* and independent circulation of our own, a foreign invasion would have no effect upon our monetary System. Instead of every man being engaged in the process of *crushing his debtors*, in order to convert his debts and money into Gold, every man's interest would be bound up in that of his country, and his hand would be engaged in crushing her invaders. *The danger of the Paper Currency consists solely in its convertibility into Gold.*

What would have been the situation of the country three weeks ago, if the Bank Restriction Act had *not still existed in the public mind* notwithstanding its repeal *in law*. Instead of *increasing* the circulation of Bank Notes from eighteen to twenty-eight

millions, the Bank must in this case, have been compelled to *reduce* it suddenly from eighteen millions down to ten millions or under. The evil in operation would thus have been aggravated a hundred fold. Ruin would have been accumulated upon ruin. In all human probability, the whole mass of circulating paper, of many kinds, would instantly have disappeared from circulation, leaving nothing but a few millions of *hoarded sovereigns,* to discharge the duties which a hundred millions of *Circulating Sovereigns* would not have been equal to discharge. No possible means of paying the weekly wages of labour, or of purchasing the common necessaries of life, would have remained in existence. Universal plunder, anarchy, and murder, *must* have ensued; for by no other means could human life have been supported and defended. From this frightful fate we were saved by the timely issues of Bank Notes. Fortunately for us, the power of the Bank Note, as a *legal tender*, still existed in the public mind. The laws had indeed repealed the Bank Restriction Act, but some terrible convulsion must ensue, or the present generation must pass away, before it can possibly be repealed in the habits and modes of thinking of Society. In fact, a new race of men must grow up under the new impressions, before the old race of men will cease to act upon the old impressions. We were thus enabled to issue the Bank Notes plentifully, and thereby to arrest the mighty ruin which threatened us. In the hour of our danger, we were obliged to fly to the ca-

lumniated *Paper* for refuge, and there we found it. If we had relied upon the *Gold*, our destruction would have been as certain as day and night.

Contrast all the dangers, the changes, the fluctuations, the unjust ruin, the unjust aggrandizement, attendant upon a Metallic Standard, with the security, the certainty, the equality of prices and of values; the exemption from unjust losses, and from unjust gains; and the general stability of all profits and of all prosperity, which a *non-convertible* Paper Currency presents.—Self-existent, self-dependent, liable to no foreign actions, entirely under our own controul, contracting, expanding, or remaining fixed, according as the wants and exigencies of the community may require, a *non-convertible* Paper Currency presents every element of national security and happiness, without the possibility of injuring any one class of the community. In case of any sudden panic occurring, so as to occasion an unusual demand for money, for the discharge of Debts and the support of public credit, the *non-convertible Paper* instantly expands itself to meet the demand, and the demand is satisfied and the mischief stayed. When public confidence runs high, and the instruments of credit have a tendency to expand themselves into *excess*, the slightest *touch* upon the *non-convertible basis* of the Circulation, instantly reduces the whole, and binds down the Circulating System upon the ancient level. Upon this level we may stand for a thousand years.

We may for ever ensure a wholesome range of prices, neither too high or too low, but securing at all times the due reward of industry to the productive classes, and the due distribution of mutual rights and interests among all other classes of the community.

It is true, that we ought to have some *superintending power* to regulate and conduct a mighty system of this kind, and not to leave the whole under the *non-responsible* management of the Bank of England. This superintending power we may readily obtain by the establishment of a Board of Controul, or Parliamentary Commission, responsible to Parliament for its conduct, and compelled to act upon certain known and established principles. Under the guidance of such a power as this, the Bank of England would become a mighty agent of national power, security, and happiness, without the possibility of its ever issuing its notes in excess, or of unduly contracting them to the national injury. We should never again know what it is to have expansions to day and contractions to-morrow; to have prosperity in the beginning of the year, and ruin in the end; or to have any of those fatal fluctuations which have distracted society for the last ten years.

If, however, the establishment of a permanent Bank Restriction Act should be thought too great an innovation in the habits and modes of thinking in society, yet still a temporary Bank Restriction Act would be necessary for the purpose of giving us time

to decide upon a *practicable* Metallic Standard, and to introduce it generally and securely into public use. A sudden change in the present Coins might, perhaps, produce too great a *shock* upon the Monetary System, and upon men's habits and prejudices. *It would in reality injure no one, but the few individuals who have occasion to move their capital abroad, and to invest it, or expend it there.* But it might be obnoxious to public prejudice if adopted at once. It might be thought to injure *all*, although in reality it would injure *none*, unless carried to such a degree as to elevate the prices of property and labour above the level which has existed for the last three years; *which a reduction of 50 per cent. in the Standard would not do.*

Be these things as they will, however, one of the two *we must do*, or we are lost. Our situation is a choice of difficulties, but no human power can avoid them. We may, perhaps, toil and struggle on for a little longer, amidst all manner of dangers, and all manner of sufferings and privations; but the end of our career is *Death*. Not *Death* to the people, but to the political system under which we live. I have reflected upon the subject for twenty years; I have continually turned it in my mind, in a thousand shapes and ways, and I am still most firmly of opinion, that if we persevere in the attempt to force all the prices, obligations, and contracts of society into conformity with the ancient Standard of value, we shall not suc-

ceed in that object; but we shall pull down the whole fabrick of society upon our heads.

One important fact I ought to mention, in proof or confirmation of this opinion. I have never met one single individual, who has had leisure and disposition to turn his thoughts to the subject, who has not fully adopted the same opinion in the end.

One other fact is important. If these arguments are wrong, is it not strange that no one has ever been found to point out their error, or even to attempt it? All the experience that we have had confirms their truth. Every *shock* that our Circulating System has sustained, *from the year* 1791 *to this day*, can be directly traced to the pressure of the Metallic Standard. In 1816 and 1819 the very foundations of society were giving way. In 1825 the whole Circulating System was suddenly falling upon our heads. In every instance the *Paper* saved us; and nothing but the *Paper*. It remains now to be seen, whether we shall abandon this mighty engine of national security or not. Short and awful is the crisis in which we are placed. If we determine wrong, God help this Nation through the mortal trial that awaits her.

We must not reason from *precedent*. If we do, we reason wrong. No precedent exists in history like England at this period. Every thing is *new* and gigantic about us. Grown up into a giant's strength,

in all the mighty parts and proportions of society, we cannot again be forced back into the habits and modes of thinking of a semi-barbarous age. In a semi-barbarous age, *Money* is but of little consequence. Every village produces nearly the whole of its wants within itself; and but little difficulty occurs in the mutual exchange of commodities and services among the rude inhabitants. *Debts* and *Taxes* may be said not to exist; or if they do exist, they are chiefly payable *in kind*. But in a highly artificial state of society like ours, *Money* is literally *vital*. *Here* the *division of labour* has become extreme. Society is divided, not into villages, producing the whole of their moderate wants within themselves; but into trades, classes, and occupations, each producing their *masses of separate commodities, and of parts of commodities, which are only made available for the public use, through the medium of money*. Every thing is done, also, through the intervention of *debts*, or of *monied contracts* or *obligations* of some kind. *Money* becomes thus the very *life blood* of the political System; and its ample and healthy supply is just as necessary to our political body, as blood itself is to animal life.

Whether this ample and healthy supply of money is obtained by a reduction of the Standard, or by a Bank Restriction Act, is however of little comparative importance, *provided it is obtained, and secured*. The *Debtor interest* of the Country is, at present,

strangled by the *Creditor interest*. Upon what is this latter to be supported when its victim dies? When the *Drones* of society have destroyed the *Bees*, how are the *Drones* themselves to live? Is it not certain, that they also must die in the end? And after all, is not every *Creditor* on the right hand, a *Debtor* himself on the left hand? Let the Creditor then relax his grasp upon the Debtor's throat. Let him be content to receive his Debts, Rents, and Taxes in a money, as cheap and abundant as that, in reference to which, his Debts, Rents, and Taxes were contracted; and then there will be no misery, no discord in society. Or if it is thought that the *Public Creditor* has a just claim upon the country for payment in undepreciated Coins, let the *Public* Creditor receive his payment accordingly: but let not the innumerable *private* Creditors throughout the country receive also a benefit which no individual among them will dare to contend *is his right*. Let not the very elements of society be armed against each other; and each be compelled *to destroy* to-day, and to be *destroyed itself* to-morrow. The doubling of the real weight and real value of the National Debt, will be heavy enough upon the Nation, but it will not be more heavy than the Nation can bear. The National Debt presses generally, equally, and universally, upon all parts and elements of Society, and like the weight of the Atmosphere, its burthen is in reality but little felt. But the *private debts* and *obligations* existing between man and man, press *locally* and

partially ; crushing to the very earth one class of men to-day, and another class of men to-morrow, and *in the end destroying all.* Why then should we volunteer an universal ruin of this kind ? Can no means be devised whereby the *Public Creditor* may receive his dividends in *heavy Gold,* without giving also the same *heavy Gold* to every Creditor of a thousand kinds throughout the country ? Could not the Public Creditor he guaranteed his dividends in heavy Gold for some limited period, and would not this give him the opportunity of *selling out,* and of withdrawing his property from the funds, if at the end of such period, he should not think proper to receive such money as the national convenience may require ? It appears to me, that the Bank Restriction Act might be renewed for three years, during which the above privilege might last, without raising the price of Gold in the markets, beyond the level it has reached during the last three years ; or if the price of Gold *should* rise 10 or 20 per cent above that level, the expence of the guarantee would be a mere trifle.

We might in this way render ample justice to the *Public Creditor,* without crushing into the earth every *Private Debtor* in the kingdom. And if the *weight of Gold,* contained in the instruments of money, is made so great an object, it becomes another reason why a renewal of the Bank Restriction Act is a better mode of present relief, than a direct reduction of the Metallic Standard. The former would throw Gold out of use, and *out of demand,* and keep down its

price and its exchangeable value, so as to give a much greater quantity of Gold to the Pound Sterling, by way of *purchase in the market*. It would, in fact, *depreciate Gold itself* for years, and render it comparatively a mere drug in the country; whereas a reduction of the Standard would instantly call Gold into general use and *general demand*; and whilst it really raised the exchangeable value of Gold itself, it would be a literal reduction of the quantity of Gold which the Pound Sterling would contain or would purchase.

But in truth, a reduction of the Standard to the extent of *one-half*, would injure no individuals in the community, *excepting only those who invest or expend their Capitals abroad*. It would not raise the general prices of commodities and labour beyond the level which has existed for the last three years, It would only *preserve* those prices under which all classes have flourished, and without which no class can flourish *permanently*. For the last three years we have flourished under the range of the *high war level of prices*. This high war level of general prices has been obtained by abundant issues of Paper, and by a *forced depreciation of heavy Gold*. What difference can it make to the Public, whether this high War level of general prices is preserved by a reduction of the Standard, or by a *forced depreciation of the exchangeable value of heavy Gold?* Certainly it can make none. It can only make a difference to persons going

abroad, to expend or invest their capitals, and these persons ought to be deprived of the *enormous premium* with which we now *bribe* them to leave the land of their fathers, and to expend their capitals abroad.

The result of all the above is, that whether we reduce the Standard or not, it is advisable, in the first instance, to restore the Bank Restriction Act. Under this mighty monument of the wisdom of Mr. Pitt we may yet take refuge; *and there we shall be safe.* No shadow of danger can reach us. There is no difficulty in paying *paper debts* with *paper money.* There is no difficulty in employing and maintaining labourers, so long as the prices of the products of labour are *kept above the range of the fixed charges and monied expences,* which must otherwise suffocate the industry of the country. But if the *paper money* is withdrawn, the *paper debts* must fall; and if the prices of commodities are suffered to fall to the level of the ancient Standard, they fall within the level of the *fixed charges and expences,* and the industry of the country dies. If then, we survive the shock of the Monetary *System,* we have still to contend with poverty, misery, and anarchy, in their wildest and most appalling forms. If we escape from 1825, we rush upon 1816 and 1819!! And if we subdue the cries of hunger, and the clamours of despair and madness in the population, we have yet to meet the ruin of the *Landlords,* which threatened

such terrible consequences in 1821 and 1822!! In short, turn which way we will, we meet *ruin*, and nothing but *ruin!!* We have no safety for the Crown, or for the People, but in the Bank Restriction Act.

I remain, Dear Sir,
Yours, with sincere respect,
THOMAS ATTWOOD.

To the Right Honourable Sir John Sinclair, Bart.

POSTSCRIPT.

There can be no doubt that a reduction of the Metallic Standard to about *one half* is competent to secure the country. An elevation of the price of Gold to the extent of cent. per cent., which is its necessary effect, is the only possible means, through which we can bring down *English prices generally*, to a level with Continental prices. It effects this object at once, without injury to any one. It makes ten shillings of English money equal to only five shillings of Continental money, and thus it equalizes English and Continental prices at once. It gives a *premium of 50 per cent.* upon the *exportation of British Commodities.* It imposes a *duty of 50 per cent.* upon the *importation* of *all Foreign Commodities. It supersedes all Corn Laws.* It preserves the *Wages of labour*, and the *Rents of Land* at the high war level.

It places a rock of security under the labourer's feet. It makes *labour* a *property worth having*, instead of being totally useless to both its *Seller* and its *Buyer*. It makes the *Master seek the Labourer*, instead of *bandying* the labourer from door to door. The labourer can never prosper unless his employers prosper. His employers can never prosper, if the prices of property are to fall within the *grasp* of the vested interests. The only property of the labourer is his labour. Without an ample and abundant *demand for his labour*, he can possess no security and no *liberty*. All the *liberty* that he can have, in such a state, is a choice betwen the Workhouse and the *Grave*. No demand can exist for his labour, if the employment of labour is to be a *warrant of ruin to the Employer;* and this it must certainly be, if the present Standard is persisted in. The reduction of the Standard will secure all interests; but not equally so with a Bank Restriction Act, under the superintendence of a Board of Controul.

It has been said, that the Bank of England is a *private body*, and ought not be interfered with. The fact is not so. The Bank of England is still a public body, possessing the most important *public* powers, and bound by the most powerful *public* duties. The Sultan of Turkey does not possess such an extensive and arbitrary power to *save and to destroy*, as the Bank of England possesses at this moment. The mere repeal of the Bank Restriction Act, *in the letter of the law*, is nothing; until it is equally repealed in

men's habits and opinions, and in its *general influence over the public mind.* It is through legislative Acts, that the Bank has been suffered to acquire this gigantic power in the country; and therefore the legislature is still bound to take care that it is exercised for the public welfare. The Bank of England is still a public body to all intents and purposes. It still exercises great *public powers*, and is still bound by great *public duties.* It is in fact the MINT OF ENGLAND at this hour. Where the King's Coins effect one transaction, the Bank Notes effect one hundred; and where the King's Coins discharge *one hundred pounds* of *Debt*, the Bank Notes discharge ONE MILLION.

LETTER I.

FROM SIR JOHN SINCLAIR TO MR. ATTWOOD, INCLOSING THE PLAN OF THE FORMER FOR RELIEVING THE PECUNIARY EMBARRASSMENTS OF THE COUNTRY.

MY DEAR SIR,

I hope that you received my two packets. I now send you my Remedy, and will trouble you to return me your remarks upon it, *as soon as possible*, under Lord Glasgow's cover.

In haste,

Faithfully yours,

JOHN SINCLAIR.

133, *George Street, Edinburgh,*
December 30, 1825.

LETTER II.

FROM SIR JOHN SINCLAIR TO MR. ATTWOOD, RESPECTING THE EFFECT UPON FOREIGN TRADE, OF GOLD REMAINING AT THE OLD PRICE, WHILST ALL OTHER PRICES RISE CENT. PER CENT.

DEAR SIR,

I herewith return your letter of the 27th ultimo, after having taken a copy of it. There is a great deal of excellent matter in it. I shall be very glad *next* to receive the other letter with which you proposed to favour me. The only thing which requires explanation, is, why Foreign Nations (see p. 16.) began to purchase less goods, when the general range of prices rose to the war level, *and the price of Gold continued at* £3 17*s.* 10½*d?* Higher prices would certainly diminish demand,—but what is the direct effect of Gold being at the mint price? What, if it had increased to £5 per ounce?

I am very anxious to receive your remarks on my plan for remedying the Banking System of England.

I remain, in great haste,
Faithfully yours,
JOHN SINCLAIR.

133, *George Street, Edinburgh,*
January 4, 1826.

ON THE MEANS

OF RELIEVING THE PRESENT PECUNIARY EMBARRASSMENTS OF THE COUNTRY, AND PREVENTING THEIR RECURRENCE; TOGETHER WITH THE PLAN OF A CHARTERED COMPANY FOR PROMOTING THE SECURITY OF THE COUNTRY BANKS.

BY THE RIGHT HON. SIR JOHN SINCLAIR, BART.

It is quite practicable, by placing the circulation of the country on a proper footing, to prevent the recurrence of those melancholy scenes of distress, which are so frequently experienced *in England*. In Scotland, where a judicious system of banking is established, and where any number of persons can associate for banking purposes, they are *scarcely known*; and it is principally by transferring to England the same system, which the experience of above half a century has sanctioned in Scotland, that the great object in view, an advantageous system of *paper circulation*, may be attained.

In Scotland, during a period of *above fifty years*, only six banks have suspended payment,—only in two instances were there any deficiencies,—and these,

in all, did not amount to £30,000*; whereas in England, 71 banks stopped payment *in one year* † and great losses were sustained. Recent events have fully proved the superior excellence of the Scotch system. In England, in the short period of three weeks, sixty-one banking establishments in the country, and six in London, suspended their payments. These failures were attended with the most disastrous consequences, for they not only occasioned much individual misery, produced great depreciation of property, and brought sudden ruin on numbers of industrious persons, but materially injured *public,* as well as private credit, and essentially affected the revenue.

During this frightful convulsion in England, in Scotland '*not one*' banking house has stopped. In various parts of England also, the same fortunate circumstance has taken place, but at the expense of immense sacrifices on the part of the bankers, or by means of the support they received from the great landholders, and most respectable mercantile interests in their immediate neighbourhood. The necessity, however, of applying to a number of individuals for

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* See Hints on Circulation by the Right Hon. Sir John Sinclair, Bart. published in 1822, where the Scotch system is described in the Appendix, No 3. An account is there given of the six banks which had suspended their payments in Scotland, during the last 50 years.

† See Chalmers's Estimate, p. 297, edit. 1804.

such aid, placed those banking establishments, in a most painful predicament.

It would take a lengthened discussion to explain, *in detail,* the plan I now beg to offer, as an effectual preventive of such mischiefs. Some *general outline* of it, therefore, is alone given, which may be extended if necessary.

1. The establishment of *respectable banks* by public licence, in every county of England where required, is the basis of the whole system. The advantages of such establishments, when properly regulated, cannot be questioned, (see Appendix) ; and to place them on a footing of security, I am persuaded that the Bank of England would forego its exclusive privilege of banking with more than six partners, in so far as regards *country districts ;* as the Directors of the Bank *must be aware,* that the mischiefs which have lately been experienced, originated in a great measure from the existence of that monopoly.

In order, however, to induce the Bank to make that sacrifice *willingly,* the public should guarantee the existing dividend, during the continuance of the present charter, and should agree to give one year additional *of charter,* for one year relinquishment *of claim ;* the monopoly, however, to be continued to the Bank, in so far as regards London and its immediate neighbourhood.

2. That a board of seven Commissioners, not Members of either House of Parliament, shall be appointed for licensing country bankers, without authority from whom, no engraved or printed notes payable to bearer on demand, shall be circulated, nor even then beyond the sums for which landed, funded, or personal security, has been given to the Commissioners. It is quite an anomaly, that we should hang one individual for coining a shilling, and suffer another to pass with impunity, who has circulated thousands of promissory notes, payable on demand, without the means of retiring them.

3. That a great Corporation shall be erected in London, to be called, "*The London Bank*," to act as a correspondent to such of the provincial banks as choose to employ it. This is a most important part of the plan. No private banker in London can stand his ground, when there is a great run on a number of his country correspondents. (A plan for erecting a great corporation, as the centre of country circulation, was drawn up by me some years ago; but unfortunately the public were not then ripe for its adoption. An abstract of it is annexed.) Such a corporation might likewise have the liberty of circulating notes *in the country*, leaving the circulation of London and its neighbourhood exclusively to the Bank of England; as that Bank, I trust, will always be found entitled to the confidence and favour of the public.

In times of distress in country districts, how much easier could a supply be conveyed, and a panic dispelled, could the alarm be met by the notes of such a corporation, issued under the sanction of public Commissioners, than by imperfect supplies of gold or silver?

4. That, subject to the above regulations, the privileges of the Bank of England shall be continued; for it is a corporation, which, on many trying occasions, has been eminently useful, and is conducted with much ability;—that its notes shall be legal tenders in all public and private payments;—and convertible into gold, at its average price for the preceding quarter, to be periodically inserted in the London Gazette.* Gold and silver, like other commodities, must vary in price; and if those who require them, can get them at the market price, it is all they are entitled to expect.

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* With great deference to the opinion of others, I would prefer silver for the following reasons: Silver is *indispensable* for the smaller, and consequently *the more numerous payments*:—it is harder, and less liable to *wear* than gold:—it cannot be so easily, or profitably melted down:—it cannot be exported, but at a greater risk and heavier charges:—all our accounts are kept in pounds and shillings, or in reference to silver:—it is the least subject to variation:—and it is the general legal tender in Europe and America. Indeed, silver ever has held, and probably ever will hold the prerogative, of being the general standard in commercial countries: gold being always valued by silver, but not silver by gold.

There are some excellent observations on the subject of silver as a standard, in Mr. Baring's speech, printed in Hansard's Parliamentary Debates for April, 1821.

Had silver been the standard, it would not have been so easy to have drawn from the banks their metallic currency, during the late alarm.

After having thought on the subject for a number of years, I am convinced, that a plan founded on the principles of this brief outline, would place the circulation of England, (on which the prosperity of Scotland and Ireland so greatly depends,) on a secure footing,—advance the national prosperity, and prevent those sudden reverses, to which, under the present system, we are constantly exposed. But to attain these great objects, *prejudices* must be got rid of and *sacrifices* made. That such a plan may be improved upon, is readily admitted; but if the principles are in general recognised, and acted on, any defects, which experience may point out, would easily be remedied.

The great object is, to secure a *circulation* distinguished by two great advantages; 1. Safety; and, 2. Abundance. When that great blessing is attained, all the industrious classes of the community are employed, the revenue flourishes, and the nation prospers. Whereas, when circulation is diminished, confidence is destroyed, and the whole nation, with the exception of a few opulent classes, must experience great distress.

JOHN SINCLAIR.

133, *George-Street, Edinburgh,*
1st January, 1826.

LETTER V.

FROM MR. ATTWOOD TO SIR JOHN SINCLAIR, ON THE ESTABLISHMENT OF JOINT STOCK BANKS IN ENGLAND.

Birmingham, January 9, 1826.

DEAR SIR,

I have received the favour of your letter of the 4th instant. In the last three or four years, when the prices of Commodities generally rose to the *War level*, or about *cent. per cent.* above *the Peace level*, *Gold itself did not rise at all*, but continued at the ancient price of £3 17*s* 10½*d* per ounce. Thus the *doubling* of our prices was literally demanding from foreigners two ounces of Gold instead of *one*, in exchange for the very same amount of British Commodities!!—Now if *Gold had been raised in price* correspondently with the rise of other prices, then no exportation of Bullion would have ensued. Gold would not then have been the *cheapest Article for export* which merchants could find, and consequently it would not have been exported, but on the contrary, would have continued to be *imported* as long as it could possibly be wanted.

I am sorry I have delayed so long to reply to your favour of the 30th of December. The plan which it suggests is good, if *taken without reference to existing*

circumstances; that is to say, it would have been good originally. But in my opinion, considerable obstacles exist now to the *general and sudden introduction of the Joint Stock Banking System into England.* Observe the real facts in England. Of all the Banks which have failed, or stopped payment since the war, not one in ten has done so from any *real insolvency* in its affairs. The whole, or nearly the whole of the ruin, has been occasioned by the *secret and unseen* operations upon the Currency, which have literally *swindled* the Bankers out of their property, and have then made them insolvent to their *Creditors*, by first making their *Debtors* insolvent to them. The unhappy wretches have been first robbed of their own property, they have then been robbed of their creditors' property, and they have then been robbed of the last comfort of the wretched—*their Character.* Now it is not right to charge upon these unhappy men the ruin and the misery of which they are themselves the *victims*, and not the *cause.* It is right to lay upon the Government, and upon the Government alone, as a venerable friend of mine remarked to me a few days ago, all the Bankruptcies, and all the miseries of which their injudicious attempts to restore an unjust and impracticable standard have been the cause.

But independent of this unjust charge, upon which the expediency of Joint Stock Banks would be founded in England, it is with me a very serious question whether they would have it in their power to manage

their affairs *so well as individuals manage them*; or at any rate, whether they would be able, upon a more rigid system of management, to distribute the usual proportions of Banking Accommodation to which the English public have been accustomed, and without which, it is probable, that the English public could not flourish.

Another grand fact also remains, which is calculated to alarm the warmest friend to the establishment of Joint Stock Banks in England. It is this--*Eight hundred English Banks yet exist.* They have all had considerable demands upon them, without exception. They all stand now in *injured,* not to say in *doubtful,* credit. They have all vast masses of money lodged in their hands by their customers, the whole of which is payable on *demand,* or upon very short notice, *upon pain of ruin.* They have also all of them vast masses of money *lent out* to the Public, in a thousand shapes and directions; nearly the whole of which is literally *locked up,* and cannot be obtained *suddenly* by any human exertions, however safe it may ultimately be.

Now, if Joint Stock Banks should be forcibly established throughout England, the probable consequence would be, that the superior credit and influence of such large and influential bodies of proprietors, would draw out of the present Bankers' hands, a great part of their present *balances and deposits of money.* But the Joint Stock Companies would not

take any of the *locked up debts*, and other entanglements of the present Bankers. These would remain as a *legacy of ruin* to the unhappy owners. The Bankers would be deprived of the funds and resources upon the credit of which they have *lent out and locked up money;* but not one of their *bad*, or *doubtful*, or *locked up debts* would be removed from their shoulders!! The consequence would be, in my humble judgment, such a mass of private and public ruin as has perhaps never before been witnessed.

I beg you will excuse the freedom of my communications. The subject is important. The whole mass of monetary obligations, public and private, is already shaken to its centre. Every thing should be done to *support public credit, as it is.* When once the present fabrick is firmly supported and fixed, we may proceed to make improvements. But if we *touch* the mighty structure *now* with a rash hand, we may bring down the whole social system upon our heads.

When *habits* have long been formed in a community, they become necessary to the public welfare, and cannot be removed without injury. Now, the Scotch system of Banking does not give *one-half* so much accommodation to the *Public* as the English System gives. How then could English Society bear the contraction of such a change? The English System, with its £1 notes, nourishes and calls into in-

dependence thousands of workmen every year. It encourages the *Little Capitalists*, and discourages the growth of enormous fortunes. The Scotch System, on the contrary, depresses and keeps down the *Little Men*, but with regard to *overgrown traders*, it gives "*its sum of more to what already has too "much.*" No enormous fortunes have been made in Warwickshire and Staffordshire since the Paper System was established ; but hundreds and thousands of small fortunes have been made by its assistance. In Scotland, I apprehend, the case is different, and so it is in Lancashire, where the overgrown traders monopolize the country, and keep down those innumerable traders, who would rise up to moderate affluence, if the £1 notes were generally issued in that county. It is universally known, that the working mechanics of Warwickshire and Staffordshire, *are better off* than those of Lancashire. To what is this owing, but to the encouragement which the Banking System and the £1 notes give to the little capitalists ? who are thus enabled *to bid freely in the market of labour* for the labour of the mechanics. Is this the case in Scotland ? Are not the mechanics kept down from rising by the system of Banking established there ? I think they are. I think the English System of Banking is excellent in all points, excepting only in this. It is not so capable as the Scotch System of resisting, *pro tempore*, the ruinous and unjust attempts

of the Government to *force* upon the country an undue and impracticable Metallic Standard.

I remain, Dear Sir,

Yours, with sincere esteem,

THOMAS ATTWOOD.

To the Right Honourable Sir John Sinclair, Bart.

LETTER III.

FROM SIR JOHN SINCLAIR TO MR. ATTWOOD, ON THE COMPARATIVE MERITS OF THE ENGLISH AND SCOTTISH SYSTEMS OF BANKING.

DEAR SIR,

I had the pleasure of receiving your letter of the 7th current, which is written with your usual fund of information, and extent of ability.

I have no doubt, that different systems are applicable to different countries, forms of governments, and stages of society; and, as you well observe, "*that when habits have been long formed in a community, they cannot be suddenly changed without injury.*" But there is no habit or system that may not be *gradually altered and improved upon*, and that seems to be peculiarly the case in regard to the English mode of Banking.

There is, certainly, nothing more desirable than to place the Banking Establishments of a country on a proper footing. When that is accomplished, a nation is supplied with a medium of circulation *without ex-*

pense, instead of being obliged to purchase gold for that purpose, which must in general be procured *in exchange for commodities, sold at a low price.*

Indeed such are the advantages of a Paper Circulation, that the establishment of Banks cannot be too much encouraged, provided the payment of the notes they put in circulation is secured.

You seem to attribute, not only the late embarrassments, but also our former pecuniary distresses, almost exclusively to the change of our currency; and the injudicious attempts to restore an unjust and impracticable standard. That the measures founded on the report of the Bullion Committee, have had most pernicious effects on the national prosperity, no man has more firmly maintained than myself. But our apprehensions on that head ought to be kept within due bounds, for the greatest evils have, in themselves, some means of of alleviation, *and the seeds of repair.*

In Scotland, which is subjected to the same laws in regard to currency, as the rest of the kingdom, there has not been, during the late convulsion in England, the slightest pecuniary embarrassment. That is entirely to be ascribed *to our superior system of Banking;* and it may be confidently asserted, that had the Paper Circulation of England been equally well secured, the mischiefs which have lately been experienced there, *would never have arisen to the height*

they did. Gold would not have been so eagerly demanded, *had the solidity of the Paper in circulation* been placed beyond doubt.

You contend that Joint Stock Companies will never manage their affairs so well as private individuals. I cannot concur in that opinion.—Private individuals are too apt to engage in hazardous speculations, which the directors of a Public Bank cannot, with any propriety, attempt, and would not be prevailed upon to sanction.

A Public Bank can only be a *dealer in money.* A Private Banker may not only act in that capacity, but may secretly become a manufacturer, a miner, or a merchant.—There is a publicity, also, in conducting the affairs of a great Company, from the number of clerks and other officers employed by it, which operates as a salutary check on either speculation or mismanagement.

You question much, whether Joint Stock Companies could, under a more rigid system of management, be able to distribute the small proportions of banking accommodation, to which the English public have been accustomed; and you contend, that the Scotch does not give one-half so much accommodation to the public, as the English system of Banking. But this is quite a mistake. In proportion to its population and wealth, no country is so well supplied with Banks

as Scotland.—There are, in all, including branches, not less than 225 Banking establishments in it.—The greatness of the number is of the utmost service to the public; for by their rivalship, the Circulation is always kept full, and their weekly exchanges, *in a narrow country*, prevent the Circulation from being redundant.—In an extensive country, however, like England, *limitation, effected by exchanges merely*, would not, probably, be sufficiently guarded against abuse, and *limitation of quantity may likewise be necessary*.

In regard to accommodation, the system of granting "*Cash Accounts*," as they are called, is an invaluable part of the Scotch System. It is the safest and best mode of accommodation that has ever hitherto been invented; and it is singularly useful *to small Capitalists*, who may either pay into, or take out from, their cash accounts, the smallest sums, as suits their convenience.

On the whole, I am convinced that Banking is, *in practice*, better understood in Scotland than in any other country; and hence, with a barren soil and a wretched climate, it is, at the present moment, the most prosperous country in Europe; while its prosperity is entirely founded on a Paper Currency; for there is not a single sovereign or guinea to be found in its common circulation.

You have very properly deprecated any sudden change in the English system, and you remark, "that though my plan of requiring security from the Bankers might have been originally good, yet that in England it is not at all calculated for *existing circumstances.*" It cannot be questioned, that the interests of Eight hundred Country Bankers, who have stood the test of this dreadful convulsion, are well entitled to protection. If the Bank monopoly, however, were extinguished, it is probable that a considerable proportion of Country Bankers, would take advantage of such a circumstance, to add to the number of their Partners, by which their capital would be increased, and their credit augmented; and thus the new system might be *gradually introduced*, without injury to the old establishments. Besides, though there are three chartered Banks, and two large Joint Stock Companies in Edinburgh, there are not less than eight private Banking Associations in that town, so that *private Banking* and large *public Establishments*, are not inconsistent.

It would in a great measure recompense the calamities attending the late convulsion, if the extinction of the mischievous monopoly of the Bank of England resulted from it. All monopolies are declared by the Law of England, illegal and void; but the power possessed by the Directors of the Bank of England over the circulation, and, through that main spring of influence, over the commerce—agriculture—industry

and property of the Country, is the most exorbitant ever heard of. By the will of twenty-four Directors, the prices of all articles may be either raised or lowered; public credit, and the price of public securities, may be either improved or diminished; and individuals may be enriched, oppressed, or undone, as suits their pleasure. During the late Bank Restriction also, most enormous sums were divided among the proprietors. But though the Directors, on the whole, conducted themselves well, in very trying circumstances, yet their powers are much beyond what any set of men ought to possess. The only remedy is, the extinction of so odious a monopoly, and the establishment of another Bank, by whose rivalship, such enormous powers may be kept within due bounds.

I am very much gratified with the free and manly manner in which you have stated your sentiments on this most important subject. It has thence been more thoroughly discussed between us, than otherwise it would have been; and perhaps it might be of use were we to print the substance of our correspondence in a corrected form, for circulation amongst our friends. The Ministers also, would thus be enabled to understand the question better than it is pos-

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Note, p. 4.) ‡ See an Account of them in Smith's Wealth of Nations. Book 2. Chapter 2.

sible for them to do without that information with which our correspondence would furnish them.

How fortunate would be the result, if it led them to act *on that improved system of politics*, by which Great Britain would be rendered what Scotland now is,—"*Independent of Foreign Nations for Circulation and Food.*"

I remain, with much esteem,
Dear Sir,
Your faithful and obedient Servant,
JOHN SINCLAIR.

133, *George-Street, Edinburgh*
1st January, 1826.

N. B. I should be very glad to receive any remarks on this letter that may occur on its perusal, as soon as you can find leisure to send them.

LETTER VI.

FROM MR. ATTWOOD TO SIR JOHN SINCLAIR, ON THE COMPARATIVE MERITS OF THE ENGLISH AND SCOTTISH SYSTEMS OF BANKING, AND ON THE EXPEDIENCY OF RENEWING THE BANK RESTRICTION ACT.

Birmingham, 28th of January, 1826.

DEAR SIR,

My letter of the 9th inst. had reference "*to the general and sudden introduction of the Joint Stock Banking System into England,*" by some peculiar encouragement and excitement of the Government, and my arguments will not apply very strongly to the mere repeal of the ancient law which prohibits it. A mere permission for bodies of persons to open Banks, would, I think, be of little importance in the present state of the money markets. It would probably not lead to the present establishment of one single Joint Stock Bank; because the necessary Capital could not be raised without the shares falling to a very large discount, almost as soon as they were subscribed for. The Irish Provincial Bank, for instance, was established under far more favourable circumstances with regard to the raising of capital, and to the places of operation; and yet the shares in

that concern bear a discount of 40 per cent. upon the capital advanced, the shares selling for only £6 each in the markets, although £10 each of capital has been paid upon them. And this heavy loss of 40 per cent. upon their capital has been already incurred, through the mere contraction of the money markets, in the face of the known and acknowledged fact, that the *Irish Provincial Bank is in itself highly flourishing and prosperous ! !*

Now if such an enormous loss as this has been incurred by the Shareholders of the Irish Provincial Bank, which was established *when money was plentiful*, and which has to operate in an intirely *unoccupied Country*, what must be the necessary loss upon the shares of any English Joint Stock Banks, which would have to raise their capitals in the very same money markets, *when money is scarce*, and which would hardly be able to find a single town in their district, where the ground is not previously occupied by long established and formidable rivals? In my opinion, it would not be possible *in the present state of the money markets*, to raise the necessary capital in any town in England, without an immediate loss of 50 per cent. falling upon the Shareholders ! ! Unless the ancient Metallic Standard was first removed, from the Circulating System, the Joint Stock Banks in England, would be more complete "*Bubbles*" than any that we have witnessed in the last two years; and in-

stead of relieving, in any way, the general distress, they would aggravate the general mischief. They would cause injury to themselves, and to the existing Bankers, and be of no possible use to the public. In whatever degree, they might be supposed to afford to the public a *more secure* species of circulating Medium, in the very same degree they would *render the existing circulating Medium more insecure* than it now is; and the injury which they would cause to the public in this way, would far more than counterbalance any possible benefit which they could produce in all other ways.

But my principal objection to the establishment of Joint Stock Banks, at the present period, in England is, that *they would be founded in error*. As a principle of Free Trade, giving to every man the power of employing his capital in any way that he pleases, I can have no objection to them, *provided they are not unduly encouraged by the Government*. But they would now be founded upon the erroneous opinions that something is wrong in the English system of Banking, which has greatly contributed to the late and present distresses; and that the Scottish system of Banking would tend to relieve those distresses, and prevent them in future. Both these opinions are entirely unfounded. There is nothing wrong in the English system of Banking. There is nothing in the Scottish system which could relieve the present dis-

tresses or prevent the future. The only charge against the English Bankers is, that they have *given way* under the unmeasured plunder that has been practised upon them. The Scottish Banks, on the contrary, have *shook the ruin around them*, and have thus saved themselves at the expence of the public. They have not given way like the English and Irish Banks, because the great influence they combine has enabled them, in some degree, to set at defiance *the law of the land*, and to do with the public just as they please. If I am rightly informed, there is not a lawyer in Scotland, who will dare to put the law in force against any of the Scottish Banks, and compel them to pay in Gold.

If this law were now to be put in force, every Bank in Scotland would probably be compelled to stop payment in a week! for there is not *one sovereign* in that country to every *ten notes*. If, therefore, the Scottish Banks hold up longer than the English, it is because they exercise a greater power over the public, and when they *do* yield, the ruin is comparatively so much the greater.

In England, the Banks easily *give way*, in the event of any defect occurring in the management of the Currency. In the hands of a wise Government this defect ought to be productive of advantage, by enabling the Government instantly to ascertain the

evil, and to remedy it. Under the Scottish system, it might, perhaps, be concealed until the remedy was too late.

If, indeed, it could be shewn that the failures among the English Bankers, or even any considerable proportion of them, could be justly attributable to any want of property in those Bankers, or to any speculations in business which they have carried on, then, indeed, we might reasonably find fault with the system under which they act, and endeavour to amend it. But this is altogether an error. It can be proved beyond a doubt, that nine-tenths of those failures have been occasioned entirely by *actions on the Currency*, which by causing the public to *contract debts* in a *cheap* and *abundant Currency*, and then to *repay such debts* in a *dear* and *scarce* Currency, have first rendered the public insolvent to the Bankers, and have then, as a matter of course, rendered the Bankers insolvent to the public in return. It is the business of Bankers to stand, as it were, between the *Creditor Interest* and the *Debtor Interest* of the country, giving their security to the former for the surplus capital which, from time to time, they may have at disposal, and then undertaking the duty of lending it out to the latter, upon such temporary securities as they may approve. These securities are generally *good*, as long as the money continues of the *same va-*

lue; but if the money becomes suddenly more valuable and more scarce, then the securities become *bad*; and unless the banker in some degree foresees the change, and provides against it, he cannot fail to be injured. If he does foresee it and guard against it, he calls in his securities *in time*; he shakes the ruin from off his own property and his creditors' property, and throws it upon the *Creditors of his Debtors*.

But it is not to be expected that Bankers can generally be political economists; and still less is it to be expected that they should have the power of anticipating the decisions of Government from time to time, when those decisions have been generally founded upon *one secret, silent, and persevering* determination, to restore the ancient Standard of value, *through any consequences to which it may lead*. Accordingly the Bankers have generally been taken *by surprise*. Their property has been *twisted* out of their hands *in an unseen way*. The property of their Creditors has then been *twisted out* in a similar way; and these latter, astonished at their losses, and equally ignorant as the Bankers themselves upon the subject, have been induced to attribute them to *poverty* or *criminality* on the part of the Bankers; and in fact to every cause but the right.

I remember in the year 1822, when the Banks in

the South of Ireland all, or almost all, stopped payment, Mr. Frankland Lewis was reported in the public papers, to have asked Mr. Vansittart in Parliament, "whether Ministers had devised any plan of bringing to justice, the *fraudulent* Bankers in Ireland, who had lately *swindled* the Irish Public in such a cruel way?" Mr. Vansittart was reported to have answered, "that Government had not yet succeeded in devising any positive plan, but the subject still occupied their serious attention!!"

I was indignant to see these *swindled and murdered* men treated in this "*cruel way*," and I wrote to a friend in Ireland to get me the history, the "birth, parentage, and education," the life, property and character of them all. My friend took a good deal of pains to satisfy me; and to the best of my recollection, out of the whole fourteen banks that had failed, there was not one, which had not possessed considerable property during the war. But by the secret and unknown change of the Currency, Irish Wheat had fallen to four shillings per bushel, and Irish Land, provisions and other property had fallen in a similar degree. But the debts and obligations *contracted in the same cheap money*, which had made the former high prices, and which had existed for twenty years *had not fallen at all!!* Universal insolvency was thus scattered throughout Ireland, of which the unhappy Bankers were the *victims* and not the *cause*.

The story of two brothers was rather a striking example. They said to their creditors, "We began business, as Bankers, thirty years ago, with £25,000 capital between us. By industry and economy we increased our capital to £90,000. But we have latterly met with great losses and misfortunes. We have *written off* upon our books £200,000, of *bad debts*, and we have still £70,000, of *doubtful debts* remaining." "What speculation—what imprudence must have been here!" said the creditors. "No," said the bankers, "we must defend ourselves from that charge. We have carried on the business for thirty years upon the *very same principles, and under the very same conduct.* For the first twenty-four years, up to 1815, our *bad debts* never averaged *more than* £500 *a year. But for the last six years, it seems to us that every debt that we have made has been bad!!*"

I mention this, in order to guard against the fatal error, that the *bankers* have *caused the mischief.* It is the *ruin among the public,* that has first *ruined the bankers,* before the ruin of these latter, could react upon the public in return.

No mischief has, therefore, arisen from any thing wrong or defective in the Banking System in England. The whole has arisen from the impolitic and unjust operations upon the Currency.

If the above arguments are correct, it follows that the Scottish System of Banking is not wanted in England. It could, probably, do no harm, in the present state of the money markets. But if Government should bring it forwards as an influential and important measure, calculated to assist in supporting the present Metallic Standard, and should, therefore, assist and encourage its being carried into general operation; it would, in this way, be found powerful to all manner of evil, without the possibility of doing any kind of good. It would *turn aside* the public attention *from the only cause* of all their sufferings and of all their dangers. It would injure and endanger the present bankers, upon whose solvency and credit *the very existence of the Government depends.* It would endanger the Circulating Medium, without the possibility of supplying another. And after all, when carried into effect, the Metallic Standard would *crush it to atoms!!*

Supposing the Metallic Standard to be properly *adjusted* to the existing depreciation of the Currency, or supposing the Bank Restriction Act to be renewed, I am still of opinion, that the English System of Banking *is the best.* It presents every where small bodies of respectable and wealthy men, who are not so *powerful as to set the laws at defiance*, nor so independent as not to have a strong interest in obtaining the confidence and good-will of the public. Their general issue of Cash Notes, also, gives them induce-

ment to *lift up the weak into a wholesome rivalship with the strong*. It is *their* interest to gather around them, all industrious, prudent, and frugal men; and to nourish and encourage them into independence and affluence. Every person of this description flies to the banker; and there he finds a friend. While struggling with the difficulties, which always attend the breaking out from poverty into independence, the banker takes him by the hand, and clears the way before him. He supplies him with a little assistance, from time to time, in all the accidents to which he is exposed; and after a little while, he raises his head above his difficulties, and becomes enabled to remunerate the banker in various ways.

It is thus, that in England, thousands of *workmen* and others, who have first saved a little money of their own, are annually nourished and brought forwards into a state of independence. It is thus, that they are made *Buyers of Labour*, instead of *Sellers of Labour*; and that the demand for labour being thus *relatively* increased, the situation of the labourer is *relatively* improved. This is the reason why the mechanics of Warwickshire and Staffordshire are *better off* than those of Lancashire. And the same reason will tend also to explain, why innumerable *small fortunes*, and very few *large ones*, exist in the former counties, whilst the contrary is the case in the latter county. The merchants and manufacturers of Manchester are sensible of this effect of the issues of Cash

Notes, among the English Bankers, and they have therefore always opposed the issuing of Cash Notes by the Manchester Banks. There can be no doubt, that in England generally, the issue of Cash Notes by the Bankers, upon their present System, has a strong tendency to improve *the relative wages of labour* and the *situation of the labourers* on the one hand, whilst on the other, it has nearly an equal tendency to *diminish the profits of Capital*, and to prevent the accumulation of *enormous fortunes*. No one, I think, who takes a *Statesman's view* of the subject, or who, in fact, does not take the narrow and interested view of a *mere Tradesman*, will deem these effects of the English system of Banking *evils*. In my opinion, they are effects of the very highest importance to the strength, the security, and the happiness of the nation.

Nothing of this kind, however, is found in Scotland. *There* the Joint Stock Banks are generally conducted by *Agents*, who have little or no interest in the issue of the Notes ; or in lifting up the *weak* into a wholesome competition with the *strong*. On the contrary, they are generally made responsible for any *Bad Debts* which they may make ; and thus they *bear themselves all the risk* of giving encouragement to humble merit, while the Shareholders themselves have *all the gain!!* The consequence of this is, that the public accommodation in Scotland is carried to a very limited extent, in comparison with

what the English Public have been accustomed to; and what accommodation there is, is generally confined to the *greater Capitalists*, who have influence in the Banks, and *who give security for each other*. The Banks may, in fact, be said to be *combinations of Capitalists*, who usurp great powers into their hands, and use them more for their own individual aggrandizement, than for any general accommodation of the Public.

It is upon this general illiberality of the Scottish Banks, that Mr. Maberley has been induced to found many *private* Banking Establishments in that country, within the last few years; and from what I have been able to learn, those Establishments have rendered essential services to the country, by compelling the Joint Stock Banks to expand and liberalize their system of operations.

There does seem, therefore, strong reason to think that the Scottish system is no better than the English system; and in whatever degree it may be supposed to excel the English *in point of security*, there is ample reason to believe that it falls short in point of *public utility*.

But, in truth, the failures among the English Banks have been much exaggerated. It is not correct, that 200 of the English Banks *failed* in 1815 and 1816. More than 100, out of the 200 alluded to,

merely *retired from business*, on account of the storms that surrounded them; and of the remaining 100, I believe that not more than 70 ever wound up their affairs under an insolvency. Of these 70, there might perhaps be ten or twelve who were never persons of property, and who had, in fact, usurped a station which they were not entitled to. But I would undertake to *prove*, that at least 5-6ths of those who *failed*, were fully competent to pay 20s. in the pound, if justice had been done to them; that is to say, *if they had been allowed to pay their debts in the same cheap and abundant money, in which their debts were contracted.*

The public mind ought to be *disabused* with respect to these unfortunate men, and to the hosts of others, who have been ruined in a similar way, during the last eleven years. The secret operations of the Government upon the Currency have directly caused 9-10ths of all the ruin that we have seen. In 1816, in 1819 and 1820, and in 1825, these have been the three great periods in which these *secret* operations have been going on. In the two former periods, the ruin was rather *slower* in its progress than in the latter; but in each period it was exactly the same. It was the pressure of the ancient Metallic Standard, which, in every instance compelled the Government *to call in the Paper Money, which the pressure of the public necessities had in each instance previously compelled them to issue.* If the

Government had proceeded at once to restore the Metallic Standard in 1816, when the Bank Restriction Act was intended to expire, *no Government could have existed in a Month!!* The secret operation was therefore suspended for awhile, and the Bank issues were increased. In 1819 and 1820 the Government proceeded a second time to the same object, but they proceeded more slowly and cautiously through plots, and conspiracies, and horrors. In 1822, they were again compelled to relax their *grasp* upon the Nation's *throat*. In 1825, the ruin has been attempted a third time, but it has again been found necessary to stay it, by renewing the issues of Bank Notes. The Country has thus, "*resembled a Victim in the jaws of a Tyger, escaping at one moment, in order to be again seized the next,*" as I foretold would be its fate, in my printed letter to Lord Liverpool, published in May 1819.

And can we wonder that men should have *failed* under such tremendous operations as these? *Three times* they have been *tempted out in the sunshine*, and three times the *storm has been sent to burst over their heads!!* Three times they have been *tempted forth* to *move*, to *walk*, to contract debts and obligations, and to work the great machinery upon which the existence of men depends; and *three times the solid earth has been taken from under their feet, by the secret and arbitrary power of the legislature!!* This is the way in which the public have become insolvent to

the Bankers, and have thereby made the Bankers, in many instances, insolvent to the public in return!

I will mention one or two local instances out of a thousand which have come within my own knowledge. I knew a family who laid out £60,000, in a manufacturing establishment, which, in 1816, they *were compelled to sell* for less than £5000; and yet the purchaser gained £20,000 *a year, by the very same works*, during the next two years, 1817 and 1818!! At one period, the action of the Currency had given *a positive loss*, instead of a profit, to the works in question. At the other period, the renewed issues of Bank Notes had given an *expansive* action to the Currency, which occasioned an enormous profit. I knew an individual who, in 1815, had paid £14,000 *in cash*, for a mineral property of great value, upon which he had £6000 more to pay, by instalments of £1000 a year. When this property was advertized for sale in 1816, the whole of the £14,000 was gone; and no one could be found who would take the property for *nothing*, subject to the £6000!! And yet, this property, in a short time afterwards, sold for near £40,000!! Could it be wondered that these men should become insolvent to their Bankers; and could the Bankers be blamed for not foreseeing unheard-of operations of this kind! In these instances, the value of money was *strung up many hundreds per cent., instead of 4 per cent.*; and again it was depreciated in nearly a similar degree! It is thus that the Legis-

lature, under the pretence of giving us a "*healthy Currency*," and a fixed state of things, have, in reality, given nothing but instability and uncertainty to every operation on which the existence of mankind depends. Under the pretence of *doing away with speculation*, they have compelled nothing but the *wildest speculation to exist*. The very *cultivation of the earth* has become *now* a speculation so exceedingly wild and precarious, that it may be deemed a matter of absolute certainty, that *every Farmer who sows the earth this Spring, will reap poverty instead of riches in the Autumn!!*

I allow the wisdom of your remarks in your excellent letter of the 16th instant. It is true, "the greatest evils have sometimes *in themselves the seeds of repair*;" and it is wonderful to what an extent this principle has exhibited itself in England, during the last ten years. If men, generally, could have understood the operation that has been going on, *the cultivation of the earth could not have taken place!!* But the elastic energy and the ignorance of the public mind have counteracted, in a great degree, the errors of the Government.

I think you must have been misinformed in saying, that "there is not the slightest pecuniary embarrassment in Scotland." I apprehend, that the distress *there* is quite equal to what it is in England, although it has not exhibited itself in the failure of Banks.

The Joint Stock Banks, however, are not invulnerable. *Five or six of them have lately stopped payment in the United States*; and there cannot be the shadow of a doubt, that every Bank in Scotland would have stopped payment before now, if the Bank of England had not encreased its issues five weeks ago. There is, then, some good in the very weakness of the English Banks, which gave early notice of the approaching ruin, and thereby gave the Government time to guard against it. If all the English Banks had been upon the Scottish system, it is not improbable that the danger would not have been understood or believed until it was too late to remedy it.

I allow that *private* Bankers do sometimes "*engage in hazardous speculations.*" But this is not a frequent occurrence. The *certain discredit* that attends any conduct of this kind, is such a certain *corrective*, that, generally speaking, Bankers are the very last men who are given to *speculate*. They see so much also of the ruin of speculation, that they generally entertain a perfect horror of it. The only *rock* which Bankers generally *split upon*, is the unwillingness to sit down contented under any *given and moderate loss*, which they may now and then be liable to among their debtors. When they have made a bad or doubtful debt, to a reasonable amount, they sometimes are induced to increase it, with the view of recovering it, or "*working it round*," as it is

called. In other words, *they shoot golden arrows after the wooden one, and both are lost! !*

There does not appear to me to be any impropriety in a Banker becoming "*a Manufacturer, a Miner, or a Merchant.*" It is never his interest to interfere extensively in a rivalship with others; if he does, his interest and his character will soon convince him of his error. But in a moderate and prudent way, it cannot be otherwise than beneficial, that a banker should be permitted to increase his capital by every means in his power, and to extend and improve his knowledge of men and things, by coming now and then into more immediate contact with the trades and interests which surround him.

I hardly understand what you mean by "*Cash Accounts*" kept with the Scottish Banks. In England that term means, an account current *having cash in the Banker's hands,* belonging to a customer, and of course at liberty to be drawn out as it may be wanted. In Scotland, I apprehend it means the banker having previously discounted some bills for the customer, and placing the cash thus produced to his credit. In this case, the customer probably sends in his bills to the bank the day before, and humbly waits for his answer whether they will be discounted or not. In England, the thing is deemed a matter of course, that the banker should discount all the good bills which the customer may have received in the course of his busi-

ness; and if the banker becomes discontented with the quality or magnitude of such bills, he refuses them, or remonstrates upon the subject, and the account is altered or closed. But, generally speaking, it is assumed as a matter of course, that if ever a respectable tradesman wants *discount*, he is entitled to calculate upon it, and even to *take it without asking for it*. And so with respect to any moderate and *uncovered advances* of cash or bills, a respectable tradesman, who has been accustomed to keep large balances in his banker's hands, thinks himself entitled to *overdraw* his banker's account for short periods, whenever his occasions may require. The banks are thus made to act as great *regulators* in the monetary machinery, keeping the balances of one man to-day, and of another to-morrow, who have no immediate occasions for their use; and giving back the use of such balances to the same parties, or to others, according as their occasions may arise.

You seem to deprecate the gigantic power of the Bank of England, (although that power has but lately been used to the salvation of the Government;) and yet you seem to acknowledge that the *power* of the Joint Stock Banks in Scotland is, in some degree, analagous thereto; for you expressly state, that they preserve their bank notes in circulation, although "*there is not a single Sovereign*" to be found in circulation wherewith to pay them. Our English Banks have prepared themselves better, to submit to

the *Iron* Law which compels them *to pay the whole of their debts in Sovereigns, although they have never received Sovereigns for a hundredth part of such Debts!!* I will venture to assert, that the Scottish Banks must be prepared also; or we *shall very shortly witness among those Banks far greater ruin and confusion than we have ever yet seen in England.* The house in which I am concerned, gave up the issue of small notes five years ago, in express anticipation of the late storm, and your Scottish Banks must do the same; or their Joint Stock Capital will never protect them, under the storms that are approaching.

With regard to *the Banks giving security for their Circulation of Notes,* I think it is a vain and futile measure. The Banks will not submit to it. They will rather discontinue the circulation of notes at once; unless, indeed, Government, in *taking the security out of the Bankers' hands,* will *take also the burden off his back*; and in this case, the notes of the country Bankers will become *Assignats* or Government Notes, to all intents and purposes. To suppose that the country Banker will first put *the means of paying his notes* into the hands of Government, and will then continue to issue them for the mere honour of being compelled *to pay them again himself,* is quite incredible. The best security that we can get from the country Banker, is to act justly and honestly by him, and not to compel him to pay his notes in a kind of money which is of full *double the*

value of that which he has received for his notes. Let us act justly by the country Banker, and make his notes payable in a just and equitable money, and you may be assured that we shall have no occasion for any further security. All his debtors will be solvent to him, and he will be solvent to his creditors. But if we are to persevere in our present Metallic Standard, all that the country Banker can do with prudence is, *not to lock up his securities in the hands of the Government; but to call in his notes from the hands of the Public*, and generally to *get in his debts and effects* with all possible expedition. In this way, he will *shake the ruin from off his own shoulders. But if he attempts to give security, he is lost.*

I think I must have sufficiently proved, that it is no defect in the present Banking System which has caused the present distress; and that no alterations of that system will relieve it. I have discussed the subject thus at length, because I am anxious that the public mind should be *disabused*, and that the public attention should not be continually drawn away from the *real and only* cause of all the public sufferings and dangers. It is surprising to reflect how grossly and continually the public mind has been deluded. I cannot think that the delusion has been *intentional*; but really, when we have heard cries for ten years together, of "*the wolf here*," and "*the wolf there*," and "*the wolf every where*," *but in the right place*, it requires no small stock of incredulity

not to suspect that some secret conspiracy has been at work, of which both Government and people have been made the victims. In counteracting these delusions, you have done your duty, and I have done mine. About a dozen other individuals have laboured in the same cause. We have all laboured in vain. We may now sit down in peace, and watch, with a quiet conscience, the sure approaches of that mighty ruin which threatens the Government and the country.

I cannot but express my regret that *you*, who have always understood this subject so perfectly, should at this momentous crisis, have lent your powerful assistance in confirmation of the general error, that something wrong in our Banking System has caused our late and present distresses. It is calculated to do much mischief. It is altogether incorrect. The mischief began with the *Merchants*, and not with the *Bankers*. Five or six eminent mercantile Houses had stopped at Liverpool, as many had stopped at Manchester, and Mr. Samuel Williams and others had stopped in London, *before a single Bank was affected*. Upon the occurrence of these failures, I wrote, at that time, a paper calculated to prove that the whole of the Country Bank Paper was about to get into great discredit, and that a total explosion was about to take place among the Country £1 notes, *unless the Bank of England was prepared previously with £1 notes*, with which the Country £1 notes might be either

paid, or supported in circulation. I sent this paper to a quarter, where I thought it might be useful; and in a fortnight afterwards, the *Devonshire Bankers* began to *give way*, and to confirm all my anticipations. How then, can the Bankers be called the *cause* of the *ruin*, when the ruin among the Merchants took place *before* the Bankers were affected? The truth is, that it is the pressure of the Metallic Standard, which is the only cause of the national mischief; and, therefore, that mischief will never be redressed until the pressure of the Standard is relieved.

It is instructive to recapitulate the various and conflicting *causes*, which, for ten years together, have been adduced as occasioning the national distress. In 1816, we were told that it was "*the change from War to Peace*," which made the mischief. I publicly *proved* that it was nothing but the *contractive action upon the Currency* which caused it, and that were it not for such *contractive action*, a great increase of *prosperity* would have been our lot, instead of a strange and unheard of *adversity*, on the return of peace. When the Staffordshire colliers were dragging waggon loads of coal to London, and the Manchester *Blanketeers* were threatening the Government, the Bank Notes were again reissued in abundance, and the ruin was relieved until the Autumn of 1818. At this period the *contractive action* upon the Currency was commenced again, in order to prepare for *Mr. Peel's Bill*, which was passed in the

following Spring; and when, in the Summer of 1819, and the Spring of 1820, the Manchester *Radicals*, and the *Cato-street conspirators*, were again threatening the Government, we were at this time told that the distress originated in "*over-trading*," and "*speculation*," and "*over-population*," and "*over-production*." I *proved* that the charge of "*speculation*" was nonsense, that "over-trading" was impossible, that "over-population" was impossible, and that "over-production" was impossible. I moreover shewed that all these impossibilities contradicted each other. I shewed that *Trade* was the supplying of human wants, that human wants were insatiable, and that therefore, "*over*-trading," as a general principle, was impossible. I shewed, that every man who brought a *mouth* into the world, brought *two hands* to feed it; and that every *pair of hands* in the kingdom was capable of producing *food and shelter* sufficient to maintain *four families of labourers*; and, therefore, that "*over-population*" was impossible. I also shewed that "*productions*" were merely stocks of *national riches*, that neither nations or individuals could be *too rich*, that the *very paupers* were ready to spend the fortunes of the Duke of Wellington, if permitted to do so; that if "productions" glutted the markets, it was not because we had *too many* "*productions*," but because we had *too little money*, the organ whereby the masses of separate "*productions*" are broken up, and distributed *into the mouths and on to the backs*

of the population, in exchange for their labour; and that, therefore, "*over-production*" was impossible.

Upon many occasions I *proved* that all these reasons or causes of distress were anomalous and contradictory, and that it was not possible that *too many mouths and too many loaves* could exist in the nation at the same time. In April 1821, I *proved* before the Agricultural Committee, that the pressure of the Metallic Standard had contracted the Currency, and that the contraction of the Currency was the sole cause of the distress of Agriculture, and of all other distress. When a list was produced, of about twenty different articles which had fallen in price, and about *nineteen different reasons* were assigned for such fall of price, I insisted that the fall of price was *general*, and that, therefore, it *must* have a *general cause*, and that such *general cause* was the contraction of the *general medium*, which measures *all prices and all values*. I might as well have reasoned with the winds of Heaven. Nevertheless, in 1822, when *nine-tenths* of the *Landowners* became *insolvent*, it was found necessary again to encrease this *general medium* which measures *all prices*, and again the ruin was *stayed*. The nation awoke, as it were, from *a second frightful dream*, and during the years 1823 and 1824, it may be said that all classes of the people were prosperous. When all the causes of distress assigned in 1816, and in 1819, and 1821, have been thus a *second time* blown to the winds, it might have been hoped

that something like *truth* would have been revealed to the people, when, in 1825, a *third note of ruin* has resounded throughout the land. But the age of delusions is not yet gone. We get a little nearer the *truth*. We begin "*to burn*," as the children say, in the game of "*blindman's buff*;" and we conclude that the evil consists in *overbanking*, or in some weakness or wickedness of the *Bankers*, which ought to be remedied.

This is certainly *something* to discover. If we had got thus far in 1816, we should have come to *truth* by this time. But I well remember, at that period, that you and I, and a very few others, were thought quite out of all reason, for contending that it was possible that the plenty or scarcity of *money* could have any thing to do with national prosperity or adversity. Every man could see that *money* was a good thing *in his own pocket;* and yet no one could see that it was equally good in *his neighbour's pocket!!* Now every one acknowledges, that the *scarcity of money* has produced the present distresses; although they still attribute that *scarcity* to some defects in our Banking System, and not to the pressure of the Metallic Standard. Ten years of sufferings and dangers have given us a *glimpse* of the *truth* at last.

But I must conclude now, or I shall exhaust your patience. To conclude then, and that really. All *palliatives* are wrong. The *direct policy* is better than the *temporizing policy*. We had better meet

the ruin at once, whilst yet men's minds are tolerably well affected towards each other; and not wait until years of poverty and privation, of crimination and recrimination have exasperated every element of society against the others. If then the *paper* is wrong, let us restore the *Gold* at once. But let us not proceed by slow and cruel precautions, to bring men's minds into such a state of phrenzy and exasperation, that neither *paper nor gold* can be of any avail. In all our dangers the *paper* has hitherto saved us. In every instance, it has been the Gold that has brought us into danger, and the *paper* that has relieved us. In 1793 and in 1797 *before the paper system was fully established*, we found the character and magnitude of our operations were such, that the Gold was not to be found when the *public* wants demanded it, and *the law required it*. If we had not found relief in the *paper*, we must have been compelled to make a dishonourable peace. Again in 1816, when the foundations of society were giving way, it was the *gold* which forced the *paper* to contract, so as to render the payment of debts difficult, and the beneficial employment of labour *absolutely impossible*. In 1819 and 1820, it was the *gold* again which threw half the labourers in the kingdom out of employment, and filled the whole country with conspiracies and dangers of many kinds. In 1822, it was still the *gold* which reduced the monied prices of property within the grasp of the monied charges upon property, and rendered every Farmer and every Landowner in the country *insolvent*. In 1825, it was

the *gold* alone which threatened to pull down the whole circulating system upon our heads! It is true, the *gold* could not have produced these tremendous evils by destroying the *paper*, if the *paper* had not previously been suffered to exist; and some people may doubt the propriety of our ever having suffered the paper to exist. Of this number I am not one; because I know that the *paper system* is capable of giving greater certainty and security to the operations of men, than either the Metallic System, or any mixed system of paper and gold; and because I know that the Paper System might have been abandoned with safety, if we had been content to adopt a just and practicable Metallic Standard in its stead.

But it is too late to reason upon any original defects in the Paper System, or of any mixed system in which gold and paper may act together, as they did in 1793 and 1797, and as they have latterly done in 1823, and 1824, and 1825. These enquiries are *too late*. *The paper does exist*. The paper has acted upon every monied obligation existing in the kingdom. *The paper still acts upon all obligations, upon all prices, upon all debits and credits in existence.* Therefore the *paper* cannot be destroyed, without carrying with it the whole frame and fabrick of society. To sum up all in a few words. All the changes and fluctuations, all the bankruptcies and the miseries, all the dangers and the horrors which we have experienced, for the last ten years, are solely to be ascribed to

the pressure of the *ancient* Metallic Standard of Value, upon the *new* habits and associations, the *new* monies, the *new* prices, the *new* wages, and the *new* contracts, debts, taxes, and obligations of a hundred kinds, which the new circumstances of the Nation have called into existence. In every instance the *gold* has threatened us!! In every instance the *paper* has saved us!! Under what fascination do we then labour, that we should rush from our own safety to our own perdition? Where shall we seek for safety, when the paper system is destroyed? Can Government *recreate* the mighty fabrick, when once it has been shivered to atoms? Can Government supply any other fabrick in its place? Perhaps they will give us "*equitable adjustment.*" The very attempt will blow the Government to the winds. A hundred Courts of Justice sitting for a hundred years, could not *adjust* a hundredth part of the contracts that will be violated by the destruction of the Paper. The only "*equitable adjustment*" that is *possible*, is the "*adjustment*" of the *Standard* by which the values of society are measured. Let Government give us a just and honest Metallic Standard, and there is no difficulty in restoring cash payments, and none in preserving abundance of metallic money in the country; but if they persist in forcing upon the nation an antiquated and unjust Standard, which in its ultimate effect must literally *double* the *real burthen*, and *the real value* of every tax, debt, and monied obligation existing in the kingdom, then we may be quite

sure that they will not succeed in their object, but they will succeed in producing that revolution against which I have warned them for ten years.

They may take then their choice. They may *adjust* the Standard; or they may restore the *non-convertible paper*. There is no safety but in one of these. In either, safety may be found. I prefer the *non-convertible paper*.

I remain, with sincere esteem,

Dear Sir,

Your faithful humble Servant,

THOMAS ATTWOOD.

To the Right Honourable Sir John Sinclair, Bart. &c.

LETTER IV.

FROM SIR JOHN SINCLAIR TO MR. ATTWOOD, ON THE COMPARATIVE MERITS OF THE SCOTTISH AND ENGLISH SYSTEMS OF BANKING.

DEAR SIR,

You would have heard from me sooner, in answer to your comparison on the Scotch and English Systems of Banking, had I not been under the necessity of dedicating several days exclusively to some business of considerable personal importance, and to the carrying on of a work, (The Analysis of the Statistical Account of Scotland), which must be completed before the meeting of the general assembly of our National Church, in May next. I should not, however, have allowed even these matters, though highly important, to have interfered with the carrying on of our discussion, were it possible to hope that our correspondence could have been of any real public usility, *in the existing most eventful crisis.* But the die is cast, and all our efforts *for the present* will be in vain. Indeed, until the nation has suffered some severe additional calamities; until the mischief has spread its baneful influence over the whole country; and above all, until the Revenue becomes seriously

deficient, no alteration in the ruinous measures, now carrying on, can be looked for. But as your letter touches upon some points in which we essentially differ, and contains some ideas on the Scottish System of Banking, which appear to me erroneous, I think it right to trouble you with a reply.

1. The first point in which we differ regards Joint Stock Banking Companies. If we were to have a paper circulation independent of a Metallic Standard, and on a great scale, I do not see how that system could be adopted *with safety*, without some great Banking Corporations, to be established, at least in all the more populous districts. That they have failed in America, is no solid objection; because that country is deficient in capital, and is likewise suffering from its attempts to restore a Metallic Standard.—But they have succeeded in Scotland, and by your own admission, are now succeeding in Ireland. *The Provincial Bank there being in a state highly flourishing and prosperous.* When they are established *in England*, there cannot be a doubt that they will prove equally flourishing and prosperous, if conducted with prudence and economy, and founded on judicious principles.

2. You next object to private bankers giving security for the payment even of their small notes, a point which seems to me in the highest degree essential.

Notes of the larger descriptions, may be considered like Bills of Exchange, which people will not take without a conviction of the solidity of those who issue them. But the case is quite different as to small notes, which pass from hand to hand *as coin*, and where the public are entitled to claim the protection of Government, to prevent their being imposed on. Perhaps, there is no duty more incumbent upon any Government, than to provide a safe currency for carrying on the common transactions between man and man. For that purpose, when coins are in circulation, they are kept up at their full weight on the same principle, when paper becomes the currency, its value ought to be placed beyond the possibility of a doubt. I see no just grounds, therefore, why private bankers should not give security. Surely they would find it more to their advantage to give security for their small notes, than not to issue them at all; and if their notes were so secured, they might be made by law, *receivable in payment for taxes*, which would always keep up their credit. Besides, in that case, bankers would not be under the necessity of keeping any quantity either of coin, or of the Bank of England Notes, as a security against a run, which would be a saving of great importance. But it would be a still greater advantage, if they were not under the necessity of raising money, by selling, at low terms, those public securities in which their property was invested. I am fully convinced, that if

those bankers who have failed were to compare, on the one hand, the losses they have sustained by keeping a dead stock in Bank of England Notes, and in coin, joined to the injury sustained from compulsive sales of their property, and on the other, the expence they would incur, by giving security, they would find the latter plan more eligible, even with a view to profit, and, I am sure, greatly to be preferred for their own personal comfort. It would not, perhaps, be necessary to give security for the £5 notes or upwards, for, in times of alarm, a banker's friends might be prevailed upon to endorse them *to a certain amount each*, without coming nnder any indefinite engagement; and thus the credit of the banker might be preserved, without resorting to London for a supply of Bank of England Notes or specie.

3. It is quite a mistake to suppose that the Scotch Banks have such a commanding influence over the public mind, that they can set the law at defiance, or that no lawyer in Scotland will venture to make them pay in gold. The law is not *defied*, but it is *nullified* in regard to them, because, from the confidence which the public have in their solidity, the option which the holders of their notes have of compelling them to pay in gold, is not enforced. Give the English the same confidence in the security of their banks, and there never would be a run upon them more than there is now on the Banks in Scotland.

4. I am very glad to find that you explain so clearly, the mischievous consequences resulting from the want of small notes in Lancashire, and the great advantage that has been derived from their circulation in Staffordshire and Warwickshire. What can be more advantageous than a system which, you observe, annually nourishes and brings forward into a state of independence, great numbers of industrious men, and the result of which is, that the mechanics of Warwickshire and Staffordshire are in a much better state than those of Lancashire? This, you maintain, solely arises from the issue of small notes, and that abundance of circulation thence arising, by which general prosperity is insured. It is not, therefore, to be wondered at, that in the former districts, innumerable small fortunes should exist, and very few large ones; while in the latter county the contrary is the case. This should be more generally known and explained to the public; for the circumstance of Lancashire having no small banker's notes, is dwelt upon as a strong argument in favour of their extinction. But you are much mistaken in supposing, that the same system of accommodation to the middle ranks of society, the effects of which you admire so much in Warwickshire and Staffordshire, does not extend to Scotland; for it not only exists, but exists to a much greater extent than even with you, owing to the Cash Accounts granted by our banks, the nature of which I have explained in a

publication; (Hints on Circulation, printed in 1822,) a copy of which I propose to send to you.* These Cash Accounts seem to me the happiest measure that has ever hitherto been devised, and they justify the assertion, "That the true

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*It would be of great public importance, if the Bank of England adopted the plan that has been found so useful in Scotland, that of granting "*Cash Accounts*," the nature of which is this. A bond, say for one thousand pounds, is subscribed by one responsible person, and two or more sureties. To the extent of that sum, the principal in the bond, is entitled to draw as he may find it necessary, and he pays in, from time to time, such sums as he receives from his debtors. The account is settled yearly or half yearly; and the interest, at the rate of *5 per cent.* for the sum drawn out, beyond what is periodically paid in, is charged to his debit in the new account.

In a recent publication (Muir's Review of the Banking System of Great Britain,) the nature of these credits is more minutely explained. Such credits, we are informed, merely give the option to the principal in the bond, of drawing out upon interest, the notes of the bank; and a very great proportion of these credits, is frequently unused, from the inability of the parties to employ the money profitably. The bankers exercise due deliberation, before a credit is of the kind granted; and as it is generally found to exist for a considerable number of years, it is only given upon such security, as is likely to continue *permanently good* for the amount.—The Bank account of the principal, is always open to the inspection of the sureties, who may withdraw their guarantee, if the principal is mismanaging, or imprudent. The sureties are also liable for bill transactions with the Bank, to the amount of the whole sum subscribed, but not farther. Among the numerous advantages attending credit accounts, they enable many to enter upon useful undertakings, requiring outlay of capital for a considerable period, who might otherwise have been unable, or afraid to do so. If a young man gets his sureties to sign a bill, at three or four months' date, instead of signing a bond for a credit account, he must be dependent upon the caprice or convenience of the Bank for its renewal, for such periods as might be desirable, in any protracted operations he may have embarked in, upon the faith of this credit by *bills*; whereas, in the case of *bonds*, the Banks almost never call them up, so long as the principal continues to keep an operative account, or the sureties and himself remain good for the amount. At all events, it is provided for, in the bond, that such warning shall be given, before it is put in

principles of banking are no where so successfully carried into practice, as in Scotland."—Such are the effects of these Cash Accounts, and of the rivalship of our numerous Banks and their branches, that it is in the power of every individual who deserves credit to procure accommodation; and hence it is that Scotland, with its miserable soil and climate, and with the burden of remitting a tribute of four millions per annum, to the Exchequer of England, was, six months ago, the most prosperous country in Europe. How long that prosperity will be permitted to continue, remains to be seen.

5. You next remark, that I must be mistaken in the assertion, "That there is not the slightest pecuniary embarrassment in Scotland." By this I meant that none of our Banking Establishments had given way. It could not be expected that the circulation of our banks could be carried on to the same extent as before the late convulsion. The calamities of England, in that respect, necessarily extended themselves to Scotland, from the intimate connection which subsists between the two countries. Had the Scotch banks been as liberal as they had been previ-

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force, as may enable the parties, to get a similar accommodation at some other Bank, or to dispose of their property, without the disadvantages of sudden or pressing demands for repayments. Since the act 33. Geo. III. c. 74. cash credits have been frequently granted, on the security of lands, houses, &c. and this practice might certainly be greatly extended with much public benefit.

ous to the late convulsion, the distressed merchants and bankers of England would have contrived to have got hold of a large proportion of our circulating property, and brought on similar distresses to yours. It became necessary also, when, after the alarm had taken place, that accommodation was given, to limit the duration of the loan as well as its amount. Those who had overtraded themselves, and carried on their business by Bill accommodations, must, of course, suffer from such restrictions. But all men of real property, still find no difficulty in getting what money they require, at the legal rate of interest. On this subject I shall only add, that when the Bank of England, with its immense resources, and with the advantage of having the revenue of the country passing through its hands, is reproached for having advanced £1,200,000, on mortgage to the landed interest, and feels it necessary to curtail its accommodation to the mercantile and banking classes, it would be rather too much to expect that the Scotch Banks should continue their former scale of issues with their inferior resources.

6. You mention, that having anticipated what would happen, the House in which you are concerned, had given up the issue of small notes five years ago. I should be glad to know what was the effect of that resolution? Perhaps other bankers in your vicinity continued their circulation of small notes, and filled up the vacuum, otherwise your neighbour-

hood must have suffered greatly from your change of system, more especially as it took place in Warwickshire.

7. In regard to Scotland, it would be infatuation in the extreme, to attempt the extinction of its small notes, which have now existed with infinite advantage, and without any detriment whatever, for above a century.

Experiments with circulation may be tried in a rich country like England, but here, any alteration in its Banking system would be most fatal. Let the circulation of Scotch Bank Notes in England be prohibited, but to compel us to supply ourselves with a Currency in Gold, at a distance from the markets whence it must be procured, would cut up by the roots the sources of our prosperity. It would bring us back to the state of depression and misery in which we were a century ago, would annihilate the tribute of four millions per annum, which we now pay to England, and while that system continued we should become, like Ireland, a source of expense and not of revenue, to the kingdom at large.

8. I perfectly concur in opinion with you, that a Paper Circulation, properly regulated, is infinitely preferable to a Currency in gold, which, from the difficulty of procuring, and above all, of retaining it, is the worst of all standards for a country to adopt,

and even greatly inferior to silver. That point I have strongly enforced and explained, at considerable length, in my "*Hints on Circulation*," above-mentioned. Finding, however, that all the leading political characters, in both Houses of Parliament, were decidedly hostile to Paper, I thought it expedient to suggest, as palliatives to the Gold System,—First, the adoption of a Joint Standard of Gold and Silver; and next, the introduction of the Scotch mode of Banking into England. But the calamities are now increasing so rapidly, and are likely to be carried to such an extent, that the Ministers will probably in the end be reluctantly compelled to the re-establishment of a Paper Circulation.

It must ever be a great source of consolation to us, that we have resisted those fatal measures which have brought such ruin upon the country. Nor ought we yet to despair of seeing a change of system, General distress will in time prove to the public, how far its Government is wandering from the right path, by endeavouring to establish what is called *a wholesome*, but which is in fact, a ruinous and impoverishing *Currency*, and it may yet be in our power to lend efficient aid towards the establishment of a better system. Our Government will soon find, that without an *abundant circulation*, neither this nor any other nation, can be prosperous at home or powerful abroad. And there are no means by which a circulation can be rendered *permanently abundant*, unless it is in Pa-

per, or in other words, *independent of foreign materials*. The Paper, however, ought to be limited in its amount; it ought not to be issued by any but those whose solidity is unquestionable, and it might safely be rendered convertible into the precious metals, at the average price of Gold and Silver; which, for that purpose, ought to be quarterly ascertained.

If an improved system of Paper circulation, thus united with a power of converting it into the precious metals, were adopted, it would make Great Britain the happiest and most powerful country that has ever hitherto existed. Its prosperity would not be fluctuating, but permanent, and that favourite object, for which I have invariably contended, might then be realised—"That of rendering Great Britain independent of other nations for Circulation and Food."

With much regard and esteem,
believe me,
Your faithful Servant,
JOHN SINCLAIR.

133, *George-Street, Edinburgh,*
21st February, 1826.

Thomas Attwood, Esq. Birmingham.

LETTER VII.

FROM MR. ATTWOOD TO SIR JOHN SINCLAIR, ON THE REMEDIES FOR THE PRESENT DISTRESS.

Birmingham, 3rd of March, 1826.

DEAR SIR,

Your letter of the 21st ultimo. has said all that can be said in favour of Joint Stock Banks. I have no objection to them. They may probably be suited to the habits and character of the Scottish People, as our Banks are to those of the English People. But when they are brought forwards as a *panacea* for every evil, as a mighty resource which may enable us to resist the *unmeasured plunder* of which our unhappy country is made the victim; when the ministers of the king also have made use of them as vehicles of calumny against the English bankers, and of delusion amongst the English public, under these circumstances, I desire to record my humble opinion, that these boasted establishments are not capable of rendering us any assistance whatever. In England they can at this time produce neither the capital, the credit, nor the knowledge, which is necessary to give them a chance of ultimate success.

In your last letter, and in your "HINTS ON CIRCULATION,"* you have suggested a middle way of proceeding between a reduced Metallic Standard, and a Bank Restriction Act, viz:—the Bank paying in gold and silver at the market price, until gold rises to perhaps £8 per ounce. There can be no possible objection to this way of proceeding. It is, perhaps, not necessary to go so high as £8 to the ounce of gold. About six guineas to the ounce of gold, and eight shillings to the ounce of silver, would give eight shillings as the price of the bushel of wheat, which I apprehend is sufficiently high to enable the farmers to pay their present rents, wages, and expences. But

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* The only questions, then, at issue between the bullionists and me are these: 1. Shall the conversion of paper into coin be at a fixed or at a variable rate? 2. Shall the subjects of this country be compelled to furnish gold at the same low and antiquated price, at which it was fixed above a hundred years ago, and shall the value of all property, and the wealth of the nation, be reduced accordingly? Or, 3. Shall the price of gold and silver rise with the augmented value of all other commodities?

Is it possible that any reflecting mind would wish to subject this country to all the horrors which we have felt, and do now experience, and the still greater calamities which, unless timely prevented, are in store for us, in order to prevent a fluctuation in Gold, at from L. 4 to even L. 8 per ounce, instead of fixing it invariably at L. 3: 17: 10½?

There never was a country brought to such a state of misery, for an object so unnecessary, and, (on the grounds above stated), so highly exceptionable.

I have thus explained the nature of a plan, the success of which seems to me unquestionable; and one, by which, not only those additional miseries which there is so much reason to apprehend, but that convulsion, which must be the necessary consequence of a perseverance in the present system, would be prevented.—*See Hints on Circulation, published in* 1822.

it ought never to be forgotten, that in adopting a Metallic Standard, or in imposing any limit upon the nominal price of such Standard, the more we raise the *nominal price of the gold*, the more we relieve the country from the real weight of all its public and its private burthens. We ought, therefore, to raise the price of the Metallic Standard to the very utmost that justice will allow. We ought on no account to give to the taxes, debts, and monied obligations of the nation, *on the restoration of a Metallic Standard*, the command over greater quantities of commodities and labour, than the proprietors of such taxes, debts, and obligations, really advanced, or really contracted to receive *during the suspension of such Standard.* If we are to preserve the *ancient* Metallic Standard, it can be proved beyond the shadow of a doubt, in fact, it is now very generally acknowleged, that the restoration of such Standard, *if practicable*, which, in my opinion, it is not, would give to the proprietors of all taxes, debts, and obligations contracted during the war, or *founded since, upon the habits and associations which had existed during the war*, full *double* the *real value*, which the proprietors of such taxes, debts, and obligations had ever advanced, or had ever contracted or expected to receive.

In my letter of the 23rd of February, in the last year, in enumerating the operations of the Government upon the Bank of England, (see p. 9.) I omitted to notice the advance of £3,400,000 to the

Government, for the purpose of enabling them to pay off the holders of 5 per cents. who refused to have them converted into 4 per cents. This was another grand operation, which made a positive increase of three millions sterling to the Circulating Medium! This operation and the others which I have alluded to, have since been acknowledged in Parliament. Surely when these things are considered, we can be at no loss to account for the plenty of money, and the prosperity of 1824.

It has latterly, also, been acknowledged in Parliament, that in the Spring of the last year, the Bank of England, influenced by the *state of the Exchanges*, or in other words, by the exportation of the *Bullion Money*, began to reduce their circulation of *Paper Money* correspondently, in order to stop the exportation of the one by rendering the other equally scarce and dear! In August and September, it seems that the Bank sold Exchequer Bills largely with this view. Surely we can be at no loss to account for the fall in the price of Cotton, and for the failures which took place among the merchants in Liverpool and London, in the Autumn of the last year! And surely we have no occasion to be surprized at the convulsion of December, 1825, and at the general misery and distress which have since been scattered through the country.

Among intelligent practical men, this convulsion was seen as clearly in August and September, as it was in December, or is now. The absolute and particular *time* of such convulsion, was indeed not foreseen to a certainty, because, in truth, it was precipitated rather suddenly by a *mere accident* in a large London Bank. When the public mind is alarmed by the expectation of great events; when some secret and general ruin is at work, of which all men have some vague and general notions; notions which are the more terrible from their very vagueness and indistinctness: in such a state of things as this, *accidents* have always a very great effect. In the present instance, the accident in the Bank alluded to, *literally shook the throne of the King!*

The Country Bankers, however, had nothing to do in any of these great operations between the Government and the Bank, the action of which first made the prosperity of 1824, and the discontinuance of which produced the adversity of 1825. They merely followed at a humble distance in the train of the Government operations; which it was, indeed, impossible for them to *precede*. If any proof of this were necessary, it will be found in the price of *Wheat*, which is well known to be peculiarly exposed to be affected by the country Bank Notes, and which, during the whole of the late prosperity, has never exceeded 8s. 6d. per bushel! Nor, indeed, were the

general prices of commodities throughout the country raised at all higher than the habits of the population, and the Debts, Taxes, and Engagements of the country, rendered absolutely necessary to the existence of national prosperity. The only article which rose, indeed, a little above this level, was the Lancashire Cotton, an article, which it is well known, is only indirectly exposed to the action of Country Bank Notes.

How unjust, then, and how cruel is the charge against the Country Bankers, that they have in any way produced, or even contributed to the present distresses. If the House in which I am interested, thought it necessary to give up the issue of small notes five years ago, in direct anticipation, *expressed to all its connexions*, of the *crisis* which has now occurred, how can the Country Bankers, generally, be blamed for giving them up, when they are *cried down* by the Government on the one hand, and by Mr. Cobbett on the other? The Country Bankers are not to be blamed for any part of the miseries which have occurred, or which still threaten the country. *The awful responsibility rests entirely upon the Government alone.* Instead of being censured for their weakness and reproached for their imprudence, they are entitled to the warmest gratitude of the Government, for the strength which they exhibited, and for the firmness with which they resisted a stupendous

convulsion, which would otherwise *have shivered the Government to atoms ! !**

It is much to be lamented that errors of this kind should be so prevalent in Parliament. The noblemen and gentlemen who sit there, however conversant they may be with general politics, and with science and literature, seem generally to be totally unacquainted with business, and with the ways and means by which human life is supported. And the few practical men who sit in the Lower House, seem to be either too busy with their own affairs, or too *timid*, and too few in number, to allow them to make the

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* The distress in Lancashire and in Middlesex, has all along been greater than in any other district, and those are the peculiar districts that have never possessed a Circulation of small notes!! How then can the small notes have made the distress in those districts? They may indeed be in some degree acted upon by the distress around them; but the fact is, that the distress in the districts alluded to, not only is now greater than that any where else, but it also *preceded* the distress of the other districts of the country. When the American Legislature took measures to restore the payment in specie a few years ago, in the United States, the state of Massachusetts alone had never made use of a Paper Currency, and it was thought that that state would thereby escape the distress attendant upon its abandonment. It was found, however, in the end, that the adoption of a Paper Currency in the surrounding States, had previously forced a redundant Circulation of Bullion money upon the state of Massachusetts, and the consequence of this redundancy was, that the Bullion money of Massachusetts, was nearly as much depreciated as the Paper money of the surrounding States. When therefore the surrounding States recovered the use of Bullion money, this measure created a great drain upon the state of Massachusetts. The Bullion money was, in consequence, *strung up* in value in that state, and the consequent distress of the operation, was about the same there as in the other States. The same process was clearly visible in France, during the periods when the surrounding countries gave up at one time, and recovered at another, the use of a Metallic Currency.

necessary exposition of the truth in the face of the great combined interests around them. Hence the total inconsistency of the Parliamentary measures in matters of business, which are, in fact, the most important subjects which can occupy Parliamentary attention. Hence we are informed one day, that the Country Bankers are so desirous of issuing their small notes, that it is necessary to *stop the Stamp Office*, in order to prevent a literal deluge of them!! And the very next day we are informed, that the Country Bankers are so regardless of this privilege, and so ignorant of their own interest, that from a mere childish displeasure at the measures of Government, they have determined not to issue their small notes at all!! And, therefore, that it is necessary to get the Bank of England to fill up the *vacuum!* A *warhoop* is raised against the Country Bankers; they are denounced as men unworthy of public confidence. They are pointed out as objects of the popular vengeance and suspicion, and when they are thus proscribed and *hunted down* by the Government in the van and the Radicals in the rear, with the landed interest cheering them on: when the issue of their notes is thus made almost a *warrant of ruin* against them, they are coolly reproached for not issuing their notes as freely as before! If a fair proportion of practical men had sat in Parliament, and if the commercial and manufacturing interests had been as fully and fairly represented as the Landed Interest,

how is it possible that delusions so gross as these could ever have prevailed?

First the destress is attributed to "*Bubbles*" and Joint Stock Companies, and then other "*Bubbles*" and other Joint Stock Companies are proposed to relieve it! Then, it is attributed to over-issues of paper; and then increased issues still farther are recommended!! It is next attributed to the country bankers calling in their notes, and then *securities* are proposed to be required, which would *annihilate* their notes at once! Then the country bankers are accused of being too weak, and Joint Stock Rivals are proposed to increase their weakness still farther! Again it is proposed to establish Joint Stock Banks, for the purpose of rendering the circulation of country notes permanent and secure, and in the very next day, it is proposed to prohibit the circulation of such notes after three years!! There is in short no end to the inconsistencies of Parliament upon this important subject.

You ask what was the effect of our House giving up the issue of small notes five years ago. The effect was little or nothing, because we replaced them with sovereigns, and our circulation was a mere trifle, compared with the general circulation of £1 notes. In the present state of the country, I should apprehend, however, that the general withdrawing of the small notes would be tantamount to nearly an equivalent diminution of the Circulating Medium, as in the present state of things, the bankers

cannot be supposed to have both the power and the will to issue sovereigns in the place of their notes. *Five sixths* of the country bank note circulation are, probably, kept afloat by means of discount, or of temporary advances to the public. If the banks are compelled to withdraw their Cash Notes on the one hand, and to have their *Cash deposits* withdrawn on the other hand, in consequence of the general alarm and distress, it is very improbable that they should have the means and the inclination of issuing sovereigns in the place of their notes. What the bankers will do,and must do, is this;—they will pay sovereigns where their customers have cash in their hands, and where their customers have no cash in their hands, *they will pay nothing!* *Five sixths* of the country circulation will thus disappear, and the Government will be left to supply their place as they can, or the most tremendous fall in prices will be the consequence. This will be found, I apprehend, a far more important thing than they think for. I estimated the circulation of country £1 notes at ten millions sterling, a few months ago, giving about £20,000 each as the circulation of 500 country bankers issuing them. The withdrawing of this circulation will be found an immense and *unmanageable* calamity to the country, although it may not possibly be of much *direct* importance to the bankers.

Notwithstanding the argument drawn from the Stamp Office Returns to the contrary, I am decided

that the late circulation of country £1 notes was not over-estimated at ten millions, a few months ago. The report about country bank notes continuing in circulation only three years, probably arose from some misrepresentations of the bankers against the hardship of raising the Stamps upon their notes.

Lord Castlereagh was not a man deficient in *firmness;* and yet *he* shrunk from a measure into which the ministers now plunge with reckless desperation. He saw wheat at four shillings and six-pence per bushel; he saw half the nobility of England virtually *paupers, or preserved from pauperism by the ruin of their tenants;* he saw half the labourers of England begging their bread; he saw all this produced by the blind and cruel greediness for "*forte monnoie*," and he relaxed his grasp upon the nation's throat. He found out that that the *paying of debts*, was at least as difficult as the *contracting of debts.* He knew well that we never could have *borrowed two thousand millions sterling of public and private debt* without the aid of the "*monnoie foible*," and he proceeded to give us the "*monnoie foible*" again, in order to enable us to *repay* such enormous masses of *monied obligations.* It was with these impressions that he brought forward the Act to legalize the issue of £1 notes for eleven years. Any man would have deemed this great measure a positive proof that ministers *intended* to bring forwards the Bank Restriction Act when necessary, and this impression upon the public mind could not but have been made still

stronger, when the other operations of the Government upon the Currency, during the years 1822, 1823, and 1824 were considered. These operations ought certainly never to have been adopted, if it was not intended to persevere in them. We ought to have met the ruin in 1822; but Lord Castlereagh had not *nerve* to face it. It is left for the present Ministers to abandon measures which Mr. Pitt supported, and to adopt others which Lord Castlereagh feared to adopt!!

And well might that unhappy nobleman shrink back from the destruction of the £1 notes. He saw how the habits and wants of the country had become accommodated to them. He saw how they had *inwoven* themselves for thirty years in the very roots of society. He saw them *radiating* as it were from 500 *centres*, into the uses of industry, *created at the very points of time and place where they happen to be wanted, and disappearing at the very points of time and place where they happen to be no longer wanted*, and he very justly concluded, that instruments of this powerful character, thus *innoven* with the national vitals, could not be rudely torn out with impunity!

Under these impressions, Lord Castlereagh caused to be passed the Act of Parliament which legalized £1 notes for 11 years to come. And now, when *public faith* has been thus gravely *pledged* to the nation; when men have been induced to lend and to borrow,

to buy and to sell, and to contract debts and obligations upon the strength of this important measure, the whole is gravely proposed to be violated, leaving the wild havoc of such violation to rectify itself!

Now, it must not be thought that the Act of Lord Castlereagh for legalizing £1 notes, and the other measures of the Government for encreasing the circulation, adopted about the same time, have in reality *caused* the present distress. Nothing is more false. They have in reality prevented it from happening three years ago!! If these measures had not been adopted, the £1 notes would have become *illegal* in May 1823, when Wheat was at 4s. 6d. per bushel, and beyond the shadow of a doubt, if the £1 notes had then been suffered to disappear, the price of wheat would, in all probability, have fallen to 3s. or perhaps 2s per bushel!!

The country would, in fact, have been struck to the earth, as with a *Cannon Ball!* In the tempest of the human passions which would have been then excited, the Government, and the Standing Army, and the boasted *omnipotence of Parliament*, would have been like feathers in the storm! The £1 note Act, and the other measures of a similar character, have *procrastinated* this mighty convulsion; but they have not *occasioned* it. It is the pressure of the unjust Metallic Standard which occasions it. Take off the Standard, or adopt a *practicable* Standard, that

will measure some degree of justice between man and man, and we shall have no distress at all. But if we persevere in exacting the payment of "*forte monnoie*" out of the blood and bones of the country, we may rest assured, that we have yet to witness such distress and such anarchy as no eye has ever witnessed before.

In my letter of the 4th January, (see page 24,) I described two modes of conduct which the Ministers might adopt, viz. the *decisive* policy, and the *middle or temporising* policy. I perceive they have adopted the latter. The renewed purchases of Exchequer Bills by the Bank, and the loan of three millions to the Merchants and Manufacturers will certainly relieve the distress among those classes, for a short period. It will enable them to meet their engagements, and when this is done, they will take care not to contract any more. But it will not relieve the Mechanics. These unfortunate men will be thrown out of employment, and out of bread throughout the whole country. We shall again hear the changes rung upon "*over-production*," and "*over-trading*" and "*over-population*," and "*over-farming*," and upon "*the change from war to peace.*" We shall again hear of "*speculation*," and "*fictitious credit*," and the "*want of demand*," and the "*want of economy*," and the want of every thing but of *common sense, applied to the common affairs of life*, by men experienced in those affairs,—which is in truth

all that we do want. But it is useless saying more. I have described how the mischief of the temporizing policy will work in my letter of the 4th January.

I think nothing can be more unfounded than the supposition, that the late Joint Stock Companies can have had any thing to do in producing the present distress. There have been no Joint Stock Companies in Manchester, or Liverpool, or Devonshire, and yet there the distress began and is greatest. Not more than four or five millions can possibly have been paid up upon all these new concerns, taken together. I am sure that not so much as £20,000 has gone out of the town of Birmingham, to such Companies, in all shapes and ways, and yet Birmingham used to pay £60,000 per annum to the property tax! How absurd then is it to suppose that such paltry investments as these can have had any influence upon the prosperity of a nation which, during the war, could raise upwards of 100 *millions per annum for three years together!!* The fall of consols alone, from the price of 97 to that of 77 in the last twelve months, has caused a loss of *one hundred millions sterling to the Fund-owners!!* How then can we speak of the losses by Joint Stock Companies, in the face of such enormous losses as these?

Nor are the *speculations* upon which these Joint Stock Companies have been founded, so wild and improvident as some people may infer, who have

no better means of judging than the *mere fall in the price of the shares*. The speculations are many of them perfectly sound and judicious, and would bring now a greater premium than ever, if the *surplus money* existed upon which they were founded, and without which no great public undertaking can ever be beneficially carried into effect. The fall in the price of shares is nothing. It could not exist, if the former plenty and cheapness of money was restored. It is the *emptying of the people's pockets* which depresses the shares, and not the want of confidence in the *speculations* upon which they are founded.

I think I have said enough to shew that the Joint Stock Companies, or "*Bubbles*" as they are called, can have had little or nothing to do in producing the present distress.

But if we are to speak of "*Bubbles*," what "*Bubble*" can exist in nature like the "*Bubble*" of the *National Debt*? Does it become gentlemen "*to throw stones at their neighbours' houses, whose own houses are made of Glass*? And if we are to speak of "*fraud*," in continuing the paper, or in reducing the coins, I would ask what "*fraud*" can exist in the whole universe like the "*fraud*" of borrowing 1000 millions sterling in *depreciated paper money*, and then *quietly* compelling that enormous sum to be repaid in *undepreciated gold money*? Does it never strike Mr. Huskisson,

that in the contract of a debt, a *valuable consideration* is necessary to render it valid; and that to attempt to take advantage of a *legal quibble* in the *letter* of a contract, in order to compel its fulfilment, when no *valuable consideration* has been given, is deemed by all lawyers a *positive fraud?* What *valuable consideration* has either the public or the private creditor ever given, which can entitle him to *receive payment in heavy gold*, where he *advanced only non-convertible paper?*

It has often struck me with surprize, to see the obliquity of intellect with which men of unimpeachable honour sometimes defend the enormous *fraud* which is committed in the attempt to convert *Paper Money* into *undepreciated Gold*. A few years ago, I had a conversation with a gentleman of fortune, which is perhaps worth recording. It was *verbatim* as follows—"If I understand you right, Sir," said he, "you would coin a real half-guinea into a whole guinea." "Certainly," said I. "Then," said he, "you would give me £4000 a-year, instead of £8000 a-year, for the rental of my estate here; and that is what I consider a *fraud*." "Pray, Sir," said I, "do you measure the *fraud* or the *justice* of contracts by the *intrinsic* value of the instruments of money, in which such contracts are fulfilled? "Certainly," said he. I then replied—"In what kind of money were your rents contracted; in heavy coins or in Bank notes?" "In Bank notes, certainly," said

he. "Then," said I, "If you call it a *fraud* in me, to give you *intrinsic half-guineas, passing current by law for heavy guineas,* in the payment of your rents, what must I call it in *you,* who would compel your poor tenants to pay you *intrinsic guineas* where they only contracted to pay you the intrinsic value of *farthings*?" "I consider that the Bank notes were not depreciated," said he. "Then," said I, "If your *farthings* were not depreciated, why should my *half-guineas* be depreciated? Surely it is easier to preserve *intrinsic half-guineas* at a value equal to that of *heavy guineas,* than it is to preserve *intrinsic farthings* at such value!" And *here* the conversation closed.

It is too late, however, to complain of the *injustice* of a reduction of the Metallic Standard. That complaint should have been made 30 years ago, when the Bank Restriction Act was passed, which *virtually* effected that object. To reduce it now, on the restoration of Cash Payments, is merely confirming and rendering permanent, a *practical* reduction of the Standard which has existed for 30 years. To crush and confound all the obligations existing among the present generation of men, in order to render a tardy justice to the remnants of a generation long gone by, is an act of gratuitous infatuation almost as dangerous to the feeble objects of its protection, as to the unnumbered victims whom its remorseless policy grinds into the dust.

There can be no doubt that some few individuals would be injured by a reduction of the Metallic Standard, but it would be perfectly safe and easy to make them compensation. Foreigners who have invested money in the English Funds, for instance, might still be paid in the ancient coins, or receive two coins for one, and the few individuals who yet hold investments in the Funds, made 30 years ago, might receive the same payment. The burthen of a few little matters of this kind would be nothing, and thus equal justice would be rendered to all classes of the community.

A great deal has been said about the Paper Money having been *in excess*. It is not true. The Paper Money has not been *in excess;* at least not during the last three years to which the charge applies. It might possibly be in excess in the year 1800, though I apprehend, that even then it was not quite so *excessive* as the *Taxation* that was founded upon it. But during the last three years, it has been barely sufficient for the absolute wants of the Country. It has just kept the labourers employed, and no more. It has just preserved the farmer from the workhouse, and no more. It has given him 8s. to the bushel of Wheat. It has just lifted him above the *gripe* of his landlord. It has just lifted the landlord above the *gripe* of his creditor. It has just lifted the country itself above the *grinding, biting, grasp of taxation, and no more.*

How then has the *paper money* been *excessive ?* Let the *wants of the people* be our guide, and not the interests and prejudices of a few dozen of bullion brokers and *cambists ;* and we shall readily acknowledge that the *paper money* of the country has not increased faster than its *paper debts and taxes;* and that it has not exceeded the quantity which has been necessary to keep the labourers fully employed, and to preserve such an elevated range of *nominal prices*, as was necessary to prevent the industry of the country from being literally *suffocated* by the prodigious growth of its *nominal burthens !*

The bullion brokers and cambists are accustomed to look at the *prices of bullion*, to enable them to judge whether paper is *in excess* or not. And because in these paltry dealings, the difference between paper and gold has been sometimes barely visible, and has at other times amounted to 4 or 10 or 30 per cent, they have been accustomed to consider the Paper currency *in excess* !!

Let us turn away our thoughts from these *mole-eyed* views. Look at the gigantic dealings of the nation at large. Does the farmer, when he contracts a lease upon a *doubled rent*, consider the prices of bullion or those of agricultural produce ? Does the King when he raises the soldiers' pay, look at the prices of bullion or at those of the necessaries of life ? Does the manufacturer regard the price of bullion ? Does the merchant regard it ? Does the land-owner

regard it when he borrows money upon his estate, or charges his estate with legacies? Does the labourer regard it, when he stipulates for the humble reward of his labour? Does he not rather look at the prices of *food and clothing, and shelter from the elements?* What then has the price of bullion to do in enabling us to judge of the depreciation of the currency? It is not the rise of bullion, but the rise of commodities and labour, which constitutes the depreciation of the currency. Bullion may *fall in price,* and, in fact, become as low-priced as copper or lead, and yet the depreciation of the currency may go on until a pound sterling or a full weight sovereign may not be worth a bushel of oats! This was in some degree the case during the war, when bullion thrown out of use in so many countries, became a mere *drug* in England, and was not worth more than *one half* of its former value, as I proved in my "*Exposition of the Agricultural distress,*" presented to the Agricultural Committee, in April, 1821.

When the ministers brought forwards Mr. Peel's Bill, it was generally said by them that they considered the price of gold as the criterion of the depreciation of the currency, and that if they thought the restoration of the standard, would reduce the prices of property and labour, more than 4 per cent, they would not support it. I told them that the price of gold was *no criterion,* and I proved that the depreciation of the currency during the war, was in

reality full *cent. per cent.* instead of 4 *per cent.* and that consequently the Metallic Standard ought to be reduced *one half!!* They would not listen to me, and yet now I perceive that many public men have adopted the same opinion. Mr. Tierney himself goes nearly to that extent, when he states to the House of Commons, that "the *besetting vice* of this country is the love of high prices," and that "it is absurd to expect that under the present Metallic Standard, we can preserve generally any higher level of prices than our neighbours the French!"* If the Land-owner will bear this great truth in mind, they will soon perceive that they stand *rather nearer to the workhouse now than they did in* 1822! There are indeed but three modes of escape for them;—they must restore the Paper System,—or they must reduce the Metallic Standard,—or they must *drain the bitter cup of "Equitable Adjustment!"*

It is vain to talk about an "*interference with the King's prerogative*," when such mighty alternatives as these are at issue. The King will be right fortunate, indeed, if he escape from the storm which his ministers have raised, with no other injury than a mere "*interference with his prerogative.*" But the fact is not so. The £1 notes are no interference with the King's prerogative. It is a mere argument "*ad cap-*

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* How will you get down the *Soldiers' pay* to this level, Mr. Tierney?

tandum," and will apply equally well to *Bills of Exchange* as to £1 notes. Is it proposed to go back to the dark ages, and to carry coins about on horses' backs? If not, it is ridiculous to talk about an interference *with the prerogative.* Neither Bills of Exchange,* nor promissory notes *at a date*, nor promissory notes *on demand*, either great or small, none of these innumerable instruments of money, which effect ninety-nine hundredths of all the transactions of life are any "*interference*" at all. They are mere creations of the national convenience, which are as necessary to the nation, and which the nation has as much right to use, as a *plough* or a *spade.* To make such instruments of money *legal tenders,* may indeed

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* The enormous sum of Six Hundred Thousand Pounds, paid last year for *Stamp Duty merely* upon Bills of Exchange and Promissory Notes, *at a date*, as stated in a Parliamentary return of the 24th February, will give some idea of the magnitude of the transactions annually effected, by these multitudinous instruments of money. If the Stamps of different sizes were separated in the Parliamentary Document, the total amount of such instruments might be estimated with some tolerable accuracy. If we were then to multiply such amount by 5, (allowing that number of transactions for each Bill to effect upon an average,) it would give us some view of the immensity of these transactions in the aggregate. Certainly all the Gold in the universe, and all the Paper money in England, would not be sufficient to effect them, if it were not for the intervention of bankers. A Bill for a Thousand Pounds, pays a stamp of 8s. 6d. which is considerably less than a *Two Thousandth part* of the Bill. If this should be a fair average, which however I hardly expect, and if each Bill is presumed to perform five transactions, it would give Six Thousand Millions of Pounds sterling of transactions annually performed by these instruments. I once drew a conclusion nearly to the same amount, from a calculation drawn from the annual returns of what is called the *Clearing House*, in London, being the place where the London bankers are in the habit of exchanging and discharging their mutual claims upon each other.

appear to be some *interference* with the prerogative, but it is an "*interference*" which the *safety of the Crown* requires, quite as much as the interest of the people; and it can only be avoided by a reduction of the Metallic Standard.

But it is too late to bring forward this argument against making Bank notes *legal tenders*. Legislators should have thought of it thirty years ago, *before they had borrowed* one thousand millions sterling in *cheap money*, and not now when it would make them attempt to *repay* that enormous debt in *dear money!!* Or if they *must* have coins of full weight, and coins only, they must take the coins for the *future uses* of the nation, and leave the Bank notes to settle with *the past*. They must leave the Bank notes to wind up the debts, taxes, expences, and engagements of the last thirty years; and they must give us the ancient coins *to begin again with*, in all the new reckonings between the government and the nation, and between man and man. This, to be sure, would be a wild, circuitous, and unnecessary proceeding, but it would be a thousand times more politic, more just, and *more safe*, than the road which the ministers are now pursuing. It would give us *two prices* which most nations have, and *two prices* would be nearly as convenient as *one*.

The *temporizing policy* will not save the Government. They may "throw in assistance from time

to time, under such parts of our monetary system as are in the act of giving way," as I stated in my letter of the 4th January, (See page 25,) but this will merely convert 1825 into 1816. It will bring ruin upon them, slow, sure, and most cruel, instead of the "sudden and swift destruction," which lately threatened them. Why not then *retreat*, whilst yet it is given them to *retreat?* Every hour that they exist renders *retreat* more difficult. I will mention one proof of this. When we first issued sovereigns in Birmingham, five years ago, we were obliged literally to *force them* into circulation. Every one looked at them with distrust and dislike. Not one man in a hundred, rich or poor, would receive them willingly. They all preferred £1 notes. Here was a state of the public mind, which was a tower of strength and security in the hands of a wise Government. It almost annihilated the pressure of Taxation. It rendered the National Debt a moderate and reasonable burden, which the nation would not have felt, and which would have been melted away even faster than it had grown. Without Corn Laws, without "*Six Acts*," without any restraints obnoxious to the public feeling, or to public liberty, it presented the means of securing the taxes of the King, the rents of the landlord, and the profits of the farmer, merchant, and manufacturer, and in general, all the existing rights and relations of Society. Who would have thought that the Ministers of the King, who may be called the *greatest debtor* in the nation, and whose

very *Throne* may be said to be *mortgaged for one thousand millions sterling*—who would have thought, I say, that the Ministers of the King, who is thus deeply involved in the Paper System, would have been the first to raise a *warhoop* against it? And who would have thought that the Ministers of the King should have been the first to call it a "*breach of faith*," and a "*national bankruptcy*," when it was proposed to them to *adjust* the rights and interests of the community upon equitable principles, and to depreciate the Metallic Standard to a level with that existing depreciation of the Currency, in reference to which all the obligations of the community have been contracted?

And yet it is in this way, that the Ministers of the King have themselves raised *barriers* against their own *retreat!* They have at last destroyed that fine disposition of the public mind, which harmonized so entirely with the interests of the Crown and of the people; and now the Paper is no longer preferred to the Gold. A distrust and dislike of Paper is become general; *and this distrust and dislike is at last directed against the Bank of England quite as strongly as against the Country Bankers themselves!!* Men who have never known any other kind of money, and in whose minds respect for the Paper has been drawn in, as it were, with their *mother's milk*, b[illegible] gin now to look upon it as a kind of "*fraud*," wh[illegible] the Government has been practising upon them

30 years!! And the same disposition is visible with respect to a reduction of the Standard. Men who have never known any other coins than Bank Tokens and *Birmingham Shillings*, have now been taught by the Government themselves, to look upon this *cheap money* as a kind of *fraud*, which the Government had practised upon them, without reflecting that *cheap money*, if it means anything, means *cheap taxes, cheap debts*, and *cheap burdens!* It is thus that the Government have raised *barriers* against their own retreat, which every hour become more and more formidable. They have carried their Royal Master through unknown seas, into unknown lands, and now, when dangers of many kinds begin to *thicken* around him, they have madly *set fire to the ships which furnish the only means of escape!!* Lord Liverpool may call this the "*stern path of duty.*" I do not envy him his feelings. If I am not mistaken in his character, the day is not far distant, when he himself will envy the sufferings of the poorest victim of his remorseless policy.

I remain, my Dear Sir,

Your's, with sincere esteem,

THOMAS ATTWOOD.

To the Right Honourable Sir John Sinclair, Bart. &c.

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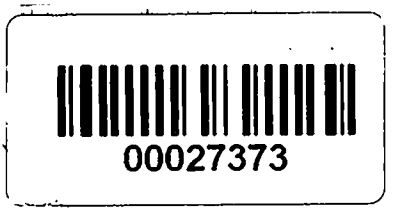
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